



EfficiencyOne

IN THE MATTER OF *The Public Utilities Act*, R.S.N.S. 1989, c. 380, 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 Inc., the establishment of a final agreement between the parties, and approval of a 2027–2031 DSM Resource Plan

Closing Submissions of EfficiencyOne

M12780

FILED WITH THE NOVA SCOTIA ENERGY BOARD

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1. INTRODUCTION

EfficiencyOne (“E1”) has delivered demand-side management (“DSM”) services in Nova Scotia since 2010 and has been the franchise holder responsible for delivering DSM services to Nova Scotia Power Incorporated (“NS Power”) since 2014. Since that time, E1 has established a proven record of delivering cost-effective bill savings to Nova Scotia ratepayers. The proposed 2027–2031 DSM Resource Plan (the “Preferred Plan” or “Plan”) submitted in this matter (M12780), as amended by Schedule A to E1’s Opening Statement (E-42), continues that record.

The Preferred Plan is the product of E1’s implementation experience as franchise holder, informed by governing legislation, prior direction of the Nova Scotia Energy Board (“Board” or “NSEB”) and its predecessor, the Nova Scotia Utility and Review Board, and extensive stakeholder engagement. As amended by Schedule A, it also incorporates further commitments reached during this proceeding, including an updated Annual Adjustment Process, enhanced reporting, and a triggered Mid-term Check-in. E1 has also proposed three focused studies agreed with by stakeholders.

Affordability sits at the center of the Preferred Plan. In the current economic climate, E1 held annual investment flat at the 2026 approved level while continuing to return more than 70 percent of Preferred Plan spending directly to customers and to deliver substantial bill savings, as detailed in Section 4 below. For the reasons that follow, E1 requests that the Board approve the DSM Purchase Agreement and the Preferred Plan as filed and amended. In the event a final decision on the full Application cannot be rendered prior to January 1, 2027, E1 respectfully requests that the Board issue an interim order approving the 2027 funding level to ensure continuity of DSM programming and to allow NS Power to collect the necessary funds from ratepayers commencing January 1, 2027, consistent with the requirements of section 79J of the *PUA*.

2. STATUTORY FRAMEWORK AND THE BOARD’S REVIEW

2.1 INTRODUCTION

E1 submits that the proposed 2027–2031 DSM Plan satisfies all statutory requirements under the *Public Utilities Act* (the “*PUA*”). The key statutory provisions are set out below, followed by E1’s submission that

each requirement for approval has been met and that the Preferred Plan is in the best interests of NS Power’s customers.

2.1.1 PUBLIC UTILITIES ACT

Sections 79A(b), 79H, 79I (particularly subsections 1 & 2) and 79L (4) & (5) are key provisions setting out the requirements for approval of a DSM plan under the *PUA*.

Section 79A(b) defines DSM as follows:

- (b) “demand-side management” means activities, programs or plans relating to
 - (i) the efficient use of electricity,
 - (ii) the conservation of electricity,
 - (iii) the alteration of the consumption pattern of an end user of electricity that has the effect of reducing demand during Nova Scotia Power Incorporated’s periods of highest demand,
 - (iv) strategic electrification of energy end uses currently powered by fossil fuels in a manner that reduces overall greenhouse gas emissions and electricity costs,
 - (v) the delivery of a reduction in the amount of electrical energy or capacity that Nova Scotia Power Incorporated would otherwise be required to supply to its customers, or
 - (vi) any other prescribed activities, plans or programs;

Any activity proposed under the 2027–2031 DSM Plan must fall within the definition of DSM as laid out in section 79A(b).

Section 79H addresses cost-effectiveness: the Board determines the cost-effective DSM that must be undertaken (s. 79H(1)) and, in evaluating an application under s. 79L, assesses cost-effectiveness “at the portfolio level” - that is, “the aggregate amount of demand-side management programs” (s. 79H(2)).

Section 79I(1) and(2) lays out some of the technical requirements for a DSM Plan:

(1) On and after the Implementation Date, Nova Scotia Power Incorporated shall undertake cost-effective demand-side management that is reasonably available in an effort to reduce costs for its customers.

(2) Nova Scotia Power Incorporated shall meet its obligations pursuant to subsection (1) by entering into a demand-side management purchase agreement with a franchise holder, and upon application by the franchise holder, the Energy Board shall establish the terms and conditions of the agreement, which agreement must

(a) be for a term of five years;

(b) describe the demand-side management that the franchise holder will provide to Nova Scotia Power Incorporated;

(c) identify the amount that Nova Scotia Power Incorporated will pay to the franchise holder for the supply of demand-side management; and

(d) include such other reasonable terms as the Energy Board considers appropriate.

Sections 79L(4) and (5) address what the Board must approve as a DSM plan and what it must consider in making its approval:

(4) The Energy Board shall approve an application pursuant to this Section if, in addition to any other matters considered appropriate by the Energy Board, it is satisfied that the application, including the proposed demand-side management that is the subject of the application, is in the best interests of Nova Scotia Power Incorporated's customers and satisfies the requirements in Section 79I.

(5) The Energy Board's review of the proposed demand-side management for the purpose of the approval must consider any matters deemed appropriate by the Energy Board or as may be prescribed.

In summary, pursuant to sections 79H, 79I & 79L, in order to be approved, a DSM Plan must:

(1) Supply DSM services as defined in s. 79A(b);

(2) Be cost-effective (s. 79H(1) & 79I(1)), as determined at the portfolio level (s. 79H(2);

(3) Provide DSM that is "reasonably available" (s. 79I(1));

- (4) Meet the technical requirements of section 79I(2), including a 5-year term (s. 79I(2)(a));
- (5) Address any matters deemed appropriate by the Board (s. 79L(4) & (5)); and
- (6) Be in the best interests of NS Power customers (s. 79L(4)).

As detailed in the sections that follow, E1 submits that each requirement above has been met. The Preferred Plan includes only programs and activities within the s. 79A(b) definition of DSM, as addressed in Sections 10 and 11 of this submission (Solar-PV and Strategic Electrification (“SE”)). It is cost-effective, with a benefit-cost ratio of 2.4 (approximately \$2.40 of benefits are realized per dollar spent). Its targets are achievable and therefore “reasonably available” under s. 79I(1), and it describes the DSM E1 will provide over a five-year term and the amount NS Power will pay, meeting the technical requirements of s. 79I. E1 has also met all past Board directives relevant to this application and answered all Board questions through Information Requests or at the hearing. Finally, and most importantly, E1 submits that the Preferred Plan is in the best interests of NS Power customers, for the reasons developed in Section 4 below. Taken together, these considerations confirm that the Preferred Plan is in the best interests of NS Power’s customers, satisfying the requirement for approval.

2.1.2 ENERGY AND REGULATORY BOARDS ACT (THE “ERBA”)

Section 6(2) of *ERBA* requires the Board, in approving rates and other matters within its authority, to give appropriate consideration to the extent to which those matters support competition and innovation, the development of a competitive electricity market, safe, secure, reliable and economical energy supply, and sustainable development and sustainable prosperity, together with such other prescribed factors consistent with the purpose of that Act, the *More Access to Energy Act (MAEA)* and the regulations.

The *MAEA* (referenced in *ERBA* s. 6(2)(e)) states its purpose (s. 2) as, among other things, increasing competition and innovation, ensuring a safe, secure, reliable and economic energy supply, and supporting the sustainable development, sustainable prosperity, energy efficiency and greenhouse-gas-reduction goals of the Province articulated in the *Environmental Goals and Climate Change Reduction Act (EGCCRA)*. “Sustainable development” and “sustainable prosperity” carry the meanings given in the *Environment Act*, SNS 1994-95, c 1 and the *EGCCRA*, SNS 2021, c 20, respectively. These provisions expressly link legislative environmental goals with energy regulation. The NSEB is required to consider whether E1’s DSM Plan supports a competitive and innovative energy market, ensures reliable, safe, secure and economical energy supply, and supports sustainable development and sustainable prosperity.

E1 submits that the evidence establishes that the Preferred Plan supports all these factors, thereby allowing the NSEB to satisfy its *ERBA*, section 6(2) obligations. The Preferred Plan supports competition and innovation through research investments into new DSM approaches, including strategic electrification; supports the development of a competitive electricity market by providing least-cost energy options; ensures the provision of safe, secure, reliable, and economical energy supply by reducing supply requirements; and supports sustainable development and sustainable prosperity through the reduction of energy consumption and associated GHG emissions.

3. THE PREFERRED PLAN AS AMENDED

3.1 SCHEDULE A

3.1.1 INTRODUCTION

The proposed 2027–2031 DSM Plan was designed and submitted by E1, but E1’s design of the plan was greatly informed by stakeholder feedback, particularly through discussions with Demand-Side Management Advisory Group (“DSMAG”) members. Subsequent to E1’s submission of its 2027–2031 DSM Plan application, E1 continued to have discussions with stakeholders. Further refinements of the Preferred Plan came out of those discussions, as presented in Schedule “A” to its Opening Statement (“Schedule A”). E1 believes Schedule A resolves or significantly narrows many of the concerns raised by key stakeholders before the Board in this matter.

3.1.2 OVERVIEW

3.1.2.1 ENHANCED ANNUAL ADJUSTMENT PROCESS

The Annual Adjustment Process (renamed from the previously labelled “mid-course adjustment process”)¹ provides the DSM administrator limited flexibility to adjust annual program-level budgets and savings from those set out in the original approved DSM Plan, in order to respond to market conditions and program performance changes that were not known at the time of Plan development.² The Annual Adjustment Process does not change approved overall investment or Board-approved Performance Targets.³

¹ E-42, E1 Opening Statement, Schedule A, s. 1(a).

² Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Appendix A, p 107, lines 25–27.

³ Ibid., p 107, lines 19–23.

1 In designing the Annual Adjustment Process for the Plan, E1 undertook enhancements to address
2 stakeholder concerns, as laid out in detail in section 13.3 of Appendix A to its Application. Of particular
3 note are the reduced thresholds from 25 percent to 20 percent for program changes (both spending and
4 savings) that require explanations,⁴ as well as the introduction of a spending threshold of 15 percent for
5 rate class spending changes that require explanations.⁵ Increased DSMAG engagement has also been
6 proposed, with E1's commitment that prior to filing any annual adjustment, the DSMAG will be provided
7 the draft annual adjustments with explanations and given a two-week comment period. E1 will respond
8 to the comments prior to E1 filing the annual adjustment.⁶

9
10 After further input from stakeholders, by way of Schedule A, E1 has also proposed further changes to the
11 Annual Adjustment Process. First, E1 has committed to carving out a dedicated low-income and equity
12 program from the Existing Residential and New Residential program. Variance thresholds will be applied
13 to the aggregate spending and performance targets of the Affordable Single-family Homes, Affordable
14 Multifamily Housing, Mi'kmaw New Home Construction, and Mi'kmaw Home Energy Efficiency Project
15 components.⁷

16
17 Second, E1 has proposed a collar for the variance thresholds, outside of which Board approval will be
18 required. The proposed variance thresholds (outlined above) will be measured on a five-year cumulative
19 basis.⁸ Where cumulative spending or savings are projected to fall outside the approved variance bands,
20 E1 must consult DSMAG and seek Board approval for the proposed adjustment. Board approval is intended
21 to be prospective rather than retroactive, while variances remaining within the approved bands do not
22 require approval.⁹

23
24 Finally, E1 has also committed to providing enhanced reporting in support of the Annual Adjustment
25 Process. It will provide the annual adjustments, mid-year reporting and a forward outlook with the Q3
26 report, showing projected variance over the full plan period relative to the variance thresholds, together
27 with red/yellow/green (stop-light) signaling of variances. The forward outlook will be reviewed with the

⁴ Ibid., p 109, lines 1–2.

⁵ Ibid., lines 3–4.

⁶ Ibid., lines 5–7.

⁷ E-42, E1 Opening Statement, Schedule A, s 1(b)(i).

⁸ Ibid., s 1(b)(ii).

⁹ Ibid., s 1(b)(iii).

1 DSMAG. Where projected variances exceed the variance thresholds, E1 will propose measures to address
2 those variances.¹⁰

3 4 3.1.2.2 MID-TERM CHECK-IN

5 Separate and distinct from the Annual Adjustment Process, E1 has also proposed a Mid-term Check-in, in
6 recognition that Nova Scotia’s electricity landscape is continuing to evolve and could see significant
7 evolutions over the 2027–2031 Plan period.¹¹ E1 has proposed the Mid-term Check-in process in light of
8 these potential changes, and clear stakeholder feedback regarding concerns that the DSM Plan must be
9 able to respond to such changes. The Mid-term Check-in mechanism provides an opportunity for E1, with
10 the DSMAG, to assess lessons learned, consider external factors and determine whether adjustments are
11 appropriate.¹²

12
13 Schedule A provides two categories of triggers for the Mid-term Check-in. First, an events-based trigger
14 may arise from events that materially change the assumptions underlying the Board-approved Plan,
15 including a materially different DSM potential study, a materially different Nova Scotia Independent Energy
16 System Operator (“IESO Nova Scotia”) Integrated Resource Plan (“IRP”), Board direction requiring
17 reconsideration of the Plan, or legislative changes relating to DSM purchase agreements. E1 also sees the
18 Mid-term Check-in as a means by which the DSMAG can discuss demand response (“DR”) and SE
19 opportunities that may emerge and were not previously viable at the time of this application. Second, a
20 calendar-based trigger will occur at the midpoint of the Plan in Q1 2029.

21
22 Based on these triggers, E1 may request a Mid-term Check-in with the DSMAG.¹³ E1 also welcomes DSMAG
23 members to request a check-in when they believe there has been a significant update relevant to the DSM
24 Plan that should be discussed.¹⁴

25
26 Once the Mid-term Check-in is triggered, E1 will engage with the DSMAG to discuss any relevant DSM
27 updates and to consider whether it would be appropriate to bring an application before the Board to

¹⁰ Ibid., s 1(b)(iv).

¹¹ E-42, E1 Opening Statement, p 2, s 2 (a).

¹² Ibid., p 2.

¹³ M12780, NSEB Transcript, August 4, 2026, p 250, lines 14–16.

¹⁴ Ibid., p 250, lines 14–18.

1 modify the Board approved 2027–2031 DSM Plan. The purpose of any application would be to ensure that
2 the DSM Plan remains relevant throughout the 5-year Plan period. Any decision to request an amendment
3 of the DSM Plan must be reasonable and in the best interests of ratepayers. In order to reach this decision,
4 E1 proposes a consideration of the questions listed in E1’s response to Synapse’s IR-72(a).¹⁵ E1, as franchise
5 holder, is responsible for the DSM Plan, and is responsible for determining whether any such amendment
6 should be brought forward.

7
8 E1 expects to develop a formal process for the Mid-term Check-in in collaboration with the DSMAG, in line
9 with the above recommendations. The Mid-term Check-in process will be incorporated as part of the
10 Standardized Filing Framework (“SFF”).¹⁶ In particular, this process could include a definition to better
11 clarify what events would be sufficiently material to trigger a Mid-term Check-in process and/or an
12 application for Board approval of a DSM Plan amendment or update.¹⁷

14 3.1.2.3 OTHER AMENDMENTS

15 In addition to the Annual Adjustment Process and Mid-term Check-in amendments discussed in detail
16 above, Schedule A also provides further enhancements. It provides for enhanced reporting and
17 transparency by way of: commitment to discuss both hybrid heating systems and SE as a standing topic
18 for consideration through DSMAG,¹⁸ the Annual Adjustment Process and the Mid-term Check-in;
19 enhanced reporting on innovation-framework activities, focus areas, expenditures, and learnings through
20 E1’s quarterly and annual reports;¹⁹ continued enhanced reporting of the allocation of Enabling Strategies
21 costs by rate class as implemented in Q1 2026, in its quarterly and annual reporting;²⁰ and additional detail
22 in quarterly and annual reports on the interest earned during the DSM Plan implementation period.²¹ The
23 Schedule A further provides for greater Board oversight of DSM activities by way of the enhanced reporting
24 measures, as well as through the changes to the Annual Adjustment Process.

¹⁵ E-16, E1 (Synapse) RIRs 1-90: Synapse IR-72 (a).

¹⁶ E-16, E1 (Synapse) RIRs 1-90: Synapse IR-86, p 1, line 22–23.

¹⁷ M12780, NSEB Transcript, August 4, 2026 p 254, line 11–p 255, line 5.

¹⁸ E-42, E1 Opening Statement, Schedule A, s. 3(b) DR, & s. 5(b) Strategic Electrification.

¹⁹ Ibid., s. 6(a).

²⁰ Ibid., s. 6(b).

²¹ Ibid., s 8(a).

3.1.3 STAKEHOLDER PERSPECTIVES

There is significant support for E1's Schedule A amendments amongst stakeholders.

The Consumer Advocate (CA) supports the changes and clarifications to E1's Preferred Plan set out in Schedule A.²² In cross-examination, the CA's expert, Mr. Love, agreed that there are alignments between the suggestions he made in his evidence and the positions outlined in Schedule A,²³ including his recommendations with respect to the Mid-term Check-in process, and his recommendation that four dedicated low-income and equity components be consolidated into a single dedicated low-income and equity program.²⁴ He also noted that the Schedule A changes align with his recommendations regarding using a cumulative target for the annual adjustment and the triggers for a mid-term check in as well.²⁵

The Industrial Group ("IG") supports the Annual Adjustment Process in Schedule A, including refinements to the Board's regulatory oversight by requiring explicit approval of variances exceeding program and class variance cumulative thresholds.²⁶ The IG supports E1's proposed events-based check in during the Plan period and sought further clarity regarding the scope of such check-in, triggers to change the Plan or programs, and the mechanism to bring such process before the Board.²⁷

The SBA considers many of the proposed changes in Schedule A to be reasonable and beneficial.²⁸ The SBA supports changes to the Annual Adjustment Process, including the variance thresholds, approval pathway, and enhanced reporting, as changes that provide clarity and accountability while ensuring flexibility for E1.²⁹ The SBA also supports E1's description of event-based triggers for a Mid-term Check-in as identified in Schedule A.³⁰ The SBA's position on SE aligns with E1's approach to include SE when both cost-effectiveness and regulatory requirements are met, and supports E1's commitment to provide enhanced reporting on innovation-framework activities and Enabling Strategies allocation.

²² E-52, CA Opening Statement, p 2, lines 28–30.

²³ M12780, NSEB Transcript, August 6, 2026, p 785, lines 11–15.

²⁴ Ibid., p 784, line 5–p 785, line 10.

²⁵ Ibid., p 738, lines 11–15.

²⁶ E-45, IG Opening Statement, p 2, lines 3–8.

²⁷ Ibid., lines 9–15.

²⁸ E-47, SBA Opening Statement, p 2, lines 3–6.

²⁹ Ibid., lines 7–10.

³⁰ Ibid., lines 10–12.

At the hearing, when Ms. Napoleon (Synapse Energy Economics or “Synapse”), consultant to Board Counsel, was asked about Schedule A, she said, “it’s directionally improving, is my feeling with this Schedule ‘A’”, though noted that there is need for clarification on the mid-term check-in process and what exactly the potential outcomes could be.³¹

Neither NS Power nor the Nova Scotia Department of Energy identified a particular position regarding Schedule A as a whole, though the Department broadly supported approval of the Preferred Plan.³² Meanwhile, on cross-examination, NS Power’s expert, Ms. Sergici, indicated that the refinements to the Mid-term Check-in process in Schedule A, and the events-based and calendar-based triggers for review were “definitely a welcome development compared to the original DSM filing” and that “all these triggers here really look reasonable and this is exactly what I would hope to see”.³³

No other intervenors provided positions on the Schedule A proposal.

3.2 AGREEMENTS

In addition to Schedule A Plan amendments, E1’s agreements with various stakeholders also demonstrate E1’s commitment to ongoing engagement and collaboration with the DSMAG members. The results of the agreements, discussed individually in more detail below, are all intended to be brought before the DSMAG and can be considered as part of the Mid-term Check-in process, where appropriate. E1 will be solely responsible for all costs associated with engaging consultants to conduct the studies contemplated in the agreements, and any costs associated with implementing any lessons from those studies and potential pilots.³⁴

3.2.1 AGREEMENT WITH EASTWARD ENERGY

E1 and Eastward Energy had a series of discussions following the filing of evidence and responses to information requests by Posterity Group on behalf of Eastward Energy. As a result, E1 and Eastward Energy support a common resolution addressing the issues raised by Posterity Group, as set out in an agreement reached between E1 and Eastward Energy, dated July 29, 2026 (“Eastward Agreement”), as detailed in

³¹ M12780, NSEB Transcript, August 6, 2026, p 879, lines 14–18.

³² E-50, Nova Scotia Department of Energy Opening Statement, p 1, line 42.

³³ M12780, NSEB Transcript, August 5, 2026, p 634, lines 9–12.

³⁴ E-54, E-56, and E-57.

Exhibit E-54.³⁵ The Eastward Agreement, *inter alia*, sets out a jointly developed study to explore hybrid heating measures in the Multi-Unit Residential Buildings (“MURB”) new construction market in Nova Scotia and contemplates a possible pilot flowing from the results of the study. Updates will be provided to the Board and the DSMAG in its Quarterly and Annual Progress Reports.

3.2.2 AGREEMENT WITH THE INDUSTRIAL GROUP

Discussions between E1 and the IG with respect to customers participating in the Large Industrial Interruptible Rider (“LIIR”) led to an agreement with the IG’s support for a study, dated July 31, 2026, as detailed in Exhibit E-56 (the “IG Agreement”).³⁶ The IG Agreement, *inter alia*, sets out a jointly developed study to assess the opportunities that customers participating in LIIR can provide the electricity system outside of NS Power-dispatched interruptible events, and contemplates a possible pilot flowing from the results of the study. Updates will be provided to the Board and the DSMAG in its Quarterly and Annual Progress Reports.

3.2.3 AGREEMENT WITH THE CONSUMER ADVOCATE

E1 and the CA held discussions regarding the importance of ensuring customer incentive levels are set at the minimum necessary to secure participation in energy efficiency programs. As a result, the parties reached an agreement for an Incentive Level Research Study, dated August 3, 2026 (the “CA Agreement”).³⁷ The CA Agreement, *inter alia*, sets out a jointly developed study to undertake primary market research for high-value measures, being measures representing the greatest incentive expenditure or savings potential, as mutually determined by E1 and the CA. The study will confirm whether the incentive levels require any adjustments as a result of the research findings. E1 will report progress on the Incentive Study in its Quarterly and Annual Progress Reports to the Board and the DSMAG.

3.3 CONCLUSION

E1 has listened to stakeholder input in the preparation of the 2027–2031 DSM Plan application, and has continued to do so throughout the regulatory proceeding. Schedule A and the agreements with stakeholders outlined above are the result of the conversations E1 has continued to have with stakeholders and further work E1 has done to find alignment on these matters. This stakeholder input and support

³⁵ E-54, Agreement between E1 and Eastward Energy, Appendix A.

³⁶ E-56, Agreement between E1 and the Industrial Group, Appendix A.

³⁷ E-57, Agreement between E1 and the CA, Appendix A.

1 further provides E1 with confidence that the 2027–2031 DSM Plan it has put forward is reasonable and
2 responsive to customer needs and is in the best interests of NS Power customers. E1 appreciates the
3 positions, information and collaboration provided by intervenors in this matter.
4

5 4. INVESTMENT LEVEL AND AFFORDABILITY

6 4.1 INTRODUCTION AND OVERVIEW

7 Affordability is a foundational feature of E1’s proposed DSM Plan. The question before the Board is not
8 whether additional DSM investment could, in the abstract, produce additional savings. It is whether E1’s
9 proposed investment level reflects a reasonable balance of affordability, achievability, customer value and
10 implementation risk in the economic circumstances that Nova Scotians face today — and, in statutory
11 terms, whether the Preferred Plan is in the best interests of Nova Scotia Power’s customers. E1 submits
12 that it is.
13

14 Affordability was a primary design consideration informing E1’s selection of the portfolio investment
15 level.³⁸ Rather than escalating spending over the planning period, E1 held annual DSM investment flat at
16 the 2026 approved level of \$63.75 million, with no annual inflationary increases, for a total investment of
17 \$318.75 million over the five-year term.³⁹ That investment level was informed by a range of factors —
18 including affordability, achievability, rate class equity, customer value, implementation risk, — and,
19 significantly, shaped in direct response to stakeholder feedback through the DSMAG.
20

21 Critically, affordability restraint did not come at the expense of value. As detailed in Section 4.3.2 below,
22 the Preferred Plan remains robustly cost-effective at a portfolio Program Administrator Cost (PAC) benefit-
23 cost ratio of 2.4, returns more than 70 percent of Plan spending directly to customers, and continues to
24 deliver substantial ratepayer savings while moderating near-term rate pressure.
25

26 E1 submits that its affordability assessment, and the investment level it produced, are reasonable,
27 evidence-based, and grounded in the *PUA*. E1 has been transparent on this point throughout: as it
28 confirmed in response to the CA, E1 “evaluated multiple investment scenarios, including higher and lower

³⁸ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Evidence, Section 4 (“Affordability”), p 38; E-9, E1 (IG) RIRs 1-29; IG IR-02(a); E-12, E1 (NSEB) RIRs 1–66; NSEB IR-03 (a).

³⁹ Ibid., Evidence, p 24, line 10–p 25, line 2.

1 spending levels,” and it *agrees* that the IRP “identifies a higher level of DSM investment as optimal for
2 ratepayers over the long term.”⁴⁰ As addressed in Section 4.7 below, E1 does not contend that its proposed
3 level is the only reasonable outcome.

4
5 E1’s proposed investment level reflects its balancing of that long-term objective against present short-
6 term affordability pressures. Whether to approve that level or direct a higher one is a matter for the
7 Board’s judgment under s. 79L of the *PUA*, and E1’s aim is to ensure that its affordability analysis is properly
8 understood and given appropriate weight in that determination.

10 4.2 AFFORDABILITY WITHIN THE PUBLIC UTILITIES ACT

11 E1 submits affordability is a central consideration for DSM plans under the *PUA*. The Board’s responsibility
12 in considering this DSM Plan Application is defined by ss. 79A–79W of the *PUA*. The provisions most
13 relevant to affordability, together with a brief note of their significance, are the following:

14
15 **ss. 79A(b), 79H, 79I and 79L - Core requirements.** The definition of DSM (s. 79A(b)), the portfolio-level
16 cost-effectiveness test (s. 79H(2)), the operative obligation to undertake cost-effective DSM that is
17 “reasonably available” over a five-year term (s. 79I), and the “best interests” approval standard (s. 79L(4)-
18 (5)) are set out in full at Section 2.1.1 above and are engaged throughout the affordability analysis that
19 follows.

20
21 **s. 79C(2)(a) — Scope of the franchise.** A franchise confers the exclusive right to supply Nova Scotia Power
22 with “reasonably available, cost-effective demand-side management for the purpose of this Act.”

23
24 **s. 79L(3) — Onus and reliance on the franchise holder.** E1 bears the onus of justifying the proposed DSM,
25 and NS Power “may rely upon the expertise of the franchise holder” (s. 79L(3)). The “best interests”
26 approval standard in s. 79L(4)-(5) is set out at Section 2.1.1 above and is not repeated here.

27
28 **s. 79M(6)(b) — Rate stability.** In exercising its cost-recovery deferral discretion, the Board takes into
29 account, among other things, “the stability of the rates paid by Nova Scotia Power Incorporated’s
30 customers.”

⁴⁰ E-7, E1 (CA) RIRs 1-19: CA IR-07, p 1, line 27–p 2, line 1.

1 Read together, these provisions establish a scheme whose object is to reduce costs for customers, whose
2 operative obligation is expressly qualified by “reasonably available,” whose approval test is the customers’
3 “best interests,” and which affirmatively directs the Board to weigh rate stability. Affordability is not
4 external to that review — it is embedded in that analysis.

5
6 In particular, E1 refers to section 79L(1) of the *PUA*, which requires that NS Power “undertake cost-effective
7 demand-side management that is reasonably available in an effort to reduce costs for its customers.” DSM
8 is therefore directed, by the *PUA*’s own words, to reducing customer costs. This Board said exactly that in
9 Matter M12282, holding that “the purpose of the demand-side management provisions in the *Public*
10 *Utilities Act* is to reduce electricity costs for customers.”⁴¹ Affordability is therefore a foundational
11 component of the review process.

12
13 Two features of that obligation are significant. First, the DSM that must be undertaken is not merely “cost-
14 effective”, but must also be cost-effective DSM “that is reasonably available.” This qualifier “reasonably
15 available” indicates that the *PUA* contemplates judgment about achievability, market adoption,
16 deliverability, and the economic circumstances of customers. Second, the obligation is framed as an effort
17 to “reduce costs for its customers” — a customer-focused, cost-reducing purpose into which near-term
18 affordability fits naturally. Together, these words leave room for the balancing judgment E1 exercised.

19
20 Under s. 79L(4), the Board “shall approve” the application if satisfied it “is *in the best interests of Nova*
21 *Scotia Power Incorporated’s customers* and satisfies the requirements in Section 79L.”⁴² [emphasis added]
22 Affordability sits squarely within the customers’ “best interests”. The Preferred Plan independently
23 satisfies the s. 79L requirements, for the reasons discussed in section 2.1.1 of this submission.

24
25 E1 acknowledges that affordability is not confined to any individual rate class. The evidence has shown —
26 and no party disputes — that affordability pressures are felt across all classes, and E1 applied this lens
27 accordingly.

⁴¹ M12282, E1 Application for approval of a New Benefit-Cost Analysis Test for Evaluating Demand Side Management Plans, NSEB Decision, December 10, 2025, p 53, para 128.

⁴² *PUA*, s. 79L(4).

4.3 AFFORDABILITY AS A CENTRAL DESIGN PRINCIPLE OF THE PREFERRED PLAN

4.3.1 THE ECONOMIC CONTEXT

As E1's Evidence explains, "in the current economic environment, where Nova Scotians face significant cost-of-living pressures, rising interest rates, and electricity rate increases, E1 has prioritized near-term affordability while maintaining long-term value ... and in direct response to DSMAG feedback."⁴³ Holding investment flat at \$63.75 million per year was E1's response to those conditions, and E1 has been clear that it "does not consider this trade-off to be permanent."⁴⁴

4.3.2 RESTRAINT WITHOUT SACRIFICING VALUE

The Preferred Plan demonstrates that affordability restraint and customer value are not mutually exclusive, for four main reasons. First, despite affordability restraint, the Preferred Plan is highly cost-effective. The portfolio delivers a PAC benefit-cost ratio of 2.4, and each resource in the Preferred Plan is cost-effective in every year of the term.⁴⁵ Second, the Preferred Plan is customer-directed. More than 70 percent of Plan spending is returned to customers through incentives and program delivery, with customer incentives accounting for 71 percent of total Plan costs — up from 66 percent under the 2026 DSM Extension.⁴⁶ Third, E1's rate and bill-impact analysis shows program participants will experience lower bills compared to no investments in DSM, and the impact on non-participants is modest relative to historical levels. Fourth, the Preferred Plan provides customers a least-cost resource. The Plan's lifetime unit cost of roughly \$0.05/kWh compares favourably to the ~\$0.09/kWh cost of the generation supply it displaces, confirming that efficiency remains the lowest-cost resource available to customers.⁴⁷ Each of these features is grounded in the record. Taken together, they establish that the Preferred Plan is a disciplined portfolio delivering strong, cost-effective, bill savings while respecting customers' present capacity to pay.

4.4 AFFORDABILITY PROPERLY ACCOUNTS FOR BOTH RATE AND BILL IMPACTS

The CA's expert, Mr. Love, contends that E1 measured affordability using the "wrong metric," arguing that because "[c]ustomers pay bills, not rates," affordability should be assessed by reference to the total bill.⁴⁸

⁴³ Exhibit E- 1, E1 2027–2031 DSM Resource Plan Application, Evidence, p 24, lines 7–10.

⁴⁴ Ibid., p 25, line 9.

⁴⁵ Ibid., Appendix A, p 28–33, Tables 8–13.

⁴⁶ Ibid., Evidence, p 25, lines 12–13.

⁴⁷ Ibid., Evidence, p 40, lines 4–5.

⁴⁸ E-21, CA Evidence (Direct Testimony of Theodore M. Love (Green Energy Economics Group)), s. VI ("Affordability"), p 21–22, lines 13–16.

E1 agrees that bill impacts are essential: they show the net customer-facing effect of DSM for both participating and non-participating customers. But bill impacts do not make rate impacts irrelevant. Rate impact remains an important and complementary lens because it shows the near-term cost imposed through the DSM Cost Recovery Rider, including the effect on customers who do not participate in programs. The proper affordability assessment therefore considers both.

E1's Evidence analyses *both*: it demonstrates that participants achieve lower bills and that the bill impact on non-participants is modest.⁴⁹ That the *PUA* itself directs the Board to weigh "the stability of the rates paid by" customers confirms that the near-term rate signal is a legitimate area of concern.⁵⁰ Weighing both rate and bill impacts, as E1 did, is consistent with the statutory scheme.

4.5 STAKEHOLDER PERSPECTIVES

The record reflects substantial common ground on the affordability principle E1 applied:

CA. The CA agreed that affordability is a legitimate consideration for the Board, that short-term affordability may properly be considered, and that affordability considerations apply across all customer classes. The CA also accepted that balanced-plan principles, and not the IRP level alone, should guide plan design.⁵¹

Department of Energy. Supported the Preferred Plan's affordability approach, noting that E1's decision to hold annual DSM investment flat at the 2026 level reflects an appropriate sensitivity to present affordability pressures and that the Plan's anticipated bill savings materially exceed the proposed level of investment.⁵²

Ecology Action Centre (EAC) and Affordable Energy Coalition (AEC). Both aligned with the Consumer Advocate on the relevance of affordability to the Board's assessment. The AEC noted that "Affordability and energy security are at the heart of the energy transition alongside the climate crisis. Energy

⁴⁹ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Evidence, p 44 (Rate and Bill Impact Analysis).

⁵⁰ *PUA*, s. 79M(6)(b).

⁵¹ E-52, CA Opening Statement p 21; M12282, NSEB Hearing Transcript, August 6, 2026, p 757, lines 10–11; E-28, CA (E1) RIR 1 to 2: CA IR-01 (c), p 2, lines 35–46.

⁵² E-50, Department of Energy Opening Statement, p 1, lines 43–50.

1 affordability is central to the larger question of affordability in Nova Scotia.”⁵³ The EAC noted that “For
2 those households unable to manage the burden of energy costs, efficiency and other demand-side
3 management measures are the only real long-term solution, the only way to bring down energy costs to a
4 manageable level.”⁵⁴

5
6 **IG.** Did not challenge the affordability lens, focusing instead on customer value and accountability.
7

8 **NS Power.** Through its expert, The Brattle Group, NS Power accepted E1’s affordability framing as
9 “appropriate” and described the proposed total budget as “directionally appropriate” and “very close” to
10 E1’s — NS Power’s inflation-escalated concept of approximately \$312 million against E1’s \$318.75
11 million.⁵⁵ NS Power did not contend the total investment level was too high; its concern was directed to
12 the mix of resources within the budget, not the total level.
13

14 **SBA.** Supported affordability considerations, accepted the proposed investment level, and confirmed that
15 the affordability lens applies to all rate classes.⁵⁶
16

17 **Synapse.** Supported affordability principle and that both short and long-term affordability should be
18 considered.⁵⁷
19

20 In short, no party asked the Board to disregard affordability. The parties differ only on how much weight
21 affordability should carry relative to incremental savings — a question of regulatory judgment under the
22 s. 79L(4) “best interests” standard. On cross-examination the CA’s expert agreed that affordability is a
23 legitimate consideration that applies across all rate classes and that short-term affordability “may properly
24 be considered” provided it is “balanced against the long-term impact.”⁵⁸ He further agreed his concern is
25 “about what weight [is] to be put to it, not that it should be ignored,” and confirmed he was “not

⁵³ E-58, Revised Opening Statement of the Affordable Energy Coalition, p 1.

⁵⁴ E-51, Opening Statement of the Ecology Action Centre, p 3, s. 3.

⁵⁵ E-22, NS Power Evidence, Attachment 1, p 10.

⁵⁶ E-47, SBA Opening Statement, p 1–2.

⁵⁷ M12282, NSEB Hearing Transcript, August 6, 2026, (Cross-Examination of Alice Napoleon) p 876, line 14–p 877, line 6.

⁵⁸ M12780, NSEB Hearing Transcript, August 6, 2026 (Cross-Examination of Theodore M. Love), p 756, line 19–p 757, line 8.

1 suggesting that the Preferred Plan that’s going forward is inconsistent with the purpose of DSM under the
2 [*Public Utilities Act*].”⁵⁹

3
4 As discussed above, that range of views — from NS Power and the NS Department of Energy’s acceptance
5 of a total budget at E1’s level to the higher level urged by the Consumer Advocate and Synapse — is itself
6 strong evidence that the Preferred Plan sits within a range of reasonable outcomes.⁶⁰

8 4.6 E1’S RESPONSE

9 Mr. Love and Ms. Napoleon urge that, because efficiency is a least-cost resource, holding investment flat
10 leaves cost-effective savings “on the table.”⁶¹ E1 agrees additional cost-effective savings exist above its
11 proposed level, but s. 79I(1) requires cost-effective DSM “that is reasonably available ... in an effort to
12 reduce costs for its customers”; the qualifier means the appropriate level is a matter of judgment informed
13 by affordability, achievability, market adoption and customer circumstances. That judgment is reinforced
14 by Apex Analytics’ jurisdictional scan, which recommended an energy savings target of 0.8 percent–1.0
15 percent of load - a level the CA’s own expert agreed on cross-examination is “a reasonable savings level,”⁶²
16 and within which the Preferred Plan’s 0.8 percent average falls.⁶³ The Board nonetheless retains authority
17 to conclude that a higher level remains reasonably available and in customers’ best interests.

19 4.6.1 THE IRP IS A DIRECTIONAL INPUT

20 Synapse observes that E1’s Preferred Plan acquires approximately 64 percent of the IRP-identified DSM
21 level for energy savings, which may result in lower DSM-driven peak reductions than NS Power’s forecasts
22 contemplated.⁶⁴ E1 does not dispute that the IRP identifies a higher level as optimal over the long term;⁶⁵
23 its submission is only that the IRP is a directional input, not a binding acquisition mandate. What NS Power

⁵⁹ Ibid., p 744, line 12–p 745, line 5.

⁶⁰ On NS Power’s position, see E-22, Evidence of The Brattle Group p 2, 6–7; and E-33, NS Power (IG) RIR 1 to 15: IR-2(c). On the Consumer Advocate’s and Synapse’s positions (a higher level), see E-21, CA Evidence, s. VI, and E-23, Synapse Evidence, p 17. The Small Business Advocate accepted the proposed investment level.

⁶¹ E-21, CA Evidence, p 6; E-23, Synapse Evidence, p 17.

⁶² M12780, NSEB Hearing Transcript, August 6, 2026 (Cross-Examination of Theodore M. Love), August 6, 2026, p 773–774.

⁶³ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Evidence, p 56, Table 7.

⁶⁴ E-23, Synapse Evidence, p 17 and following; E-21, CA Evidence, ss. IV–VI, p 8–16.

⁶⁵ E-7, E1 (CA) RIRs 1-19: CA IR-07.

1 “shall undertake” is defined by s. 79I(1), and the SFF directs E1 to be “*informed by*” the IRP outcomes.⁶⁶
2 [emphasis added] The IRP has not historically compelled perfect alignment for a given Plan period, and
3 the appropriate level remains a matter for the Board’s judgment.

4
5 Two further points bear on the weight of the projected “gap.” First, the 2022 Evergreen IRP and the 2019
6 Potential Study on which it rests pre-date the inflationary and affordability pressures that shaped this
7 Preferred Plan, and the CA’s own expert acknowledges the Potential Study is stale and that the IRP and
8 DSM processes need to be re-integrated.⁶⁷ Both an updated DSM Potential Study and an updated IRP are
9 expected within approximately a year. Second, as described in Section 3.1, the Plan’s enhanced Annual
10 Adjustment Process and Mid-term Check-in preserve flexibility within the five-year term to respond to
11 changing macroeconomic conditions and to any directional changes identified through the updated IRP.

13 4.6.2 FLAT INVESTMENT REFLECTS A PRESENT-CIRCUMSTANCES 14 JUDGMENT, NOT NEGLECT

15 Ms. Napoleon observes that holding nominal investment flat means spending declines in real terms over
16 the 2027–2031 DSM Plan period.⁶⁸ That is the intended effect of the affordability design, responding to
17 acute cost-of-living pressures and DSMAG feedback, and - as E1 has emphasized - a *present-circumstances*
18 judgment that E1 does not regard as permanent.⁶⁹

20 4.6.3 THE WEIGHT TO BE ASSIGNED TO AFFORDABILITY IS A MATTER FOR 21 THE BOARD

22 The disagreement is narrow: how much weight should affordability carry relative to incremental long-term
23 savings. Mr. Love would strike that balance differently, recommending an IRP-aligned scenario of
24 approximately 683 GWh — roughly an additional \$177 million over the term (\$464 million against the
25 Preferred Plan’s \$286.8 million for energy efficiency).⁷⁰ E1 does not contend Mr. Love’s view is

⁶⁶ Standardized Filing Framework, as filed in Appendix F to Exhibit E-1; and see E-21, Direct Testimony of Theodore M. Love, p 8–9.

⁶⁷ E-21, CA Evidence, p 12, lines 9–10; M12282, NSEB Hearing Transcript August 6, 2026, p 829, lines 7–15.

⁶⁸ E-23, Synapse Evidence, p 17, lines 12–15.

⁶⁹ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Evidence (Affordability), p 25, line 9; E-7, E1 (CA) RIRs 1–19, CA IR-07.

⁷⁰ E-21, CA Evidence, p 16–19 and Recommendation 4, p.52; incremental cost described at p 23–24. As E1 clarified at the hearing, a fully IRP-aligned level (including the corresponding demand response) would total approximately \$511 million: M12780, NSEB Transcript, August 6, 2026, p 809–812 (Member Murphy / Mr. Love).

1 unreasonable; it submits only that its own balancing — giving greater weight to near-term affordability in
2 the present economic climate — is *also* reasonable.

3
4 E1’s assessment was informed by DSMAG feedback, APEX’s energy savings recommendation, and portfolio
5 cost-effectiveness analysis. Notably, the Consumer Advocate’s expert acknowledged on cross-examination
6 that he had “not independently assessed the feasibility”⁷¹ of achieving the incremental IRP-aligned
7 savings, the participation uptake required, or the administrative capacity to deliver it.

9 4.7 E1’S POSITION ON A HIGHER INVESTMENT LEVEL

10 As explained in Section 4.1 above, E1 evaluated multiple investment scenarios and agrees the IRP identifies
11 a higher level as optimal over the long term. These submissions defend the reasonableness of E1’s
12 affordability assessment and the level it produced; they are not an argument that the Board is precluded
13 from directing a higher level under s. 79L(4) if it concludes doing so is in customers’ best interests.

14
15 Should the Board determine that a higher investment level is appropriate, E1 will deliver the level the
16 Board approves under s. 79L(4).⁷² E1 expects to implement such direction through appropriate ramp-up
17 considerations, including market and delivery-agent capacity and program scaling. The enhanced Annual
18 Adjustment Process and Mid-term Check-in provide structured mechanisms to scale activity and seek
19 Board approval of adjustments over the term.

21 4.8 CONCLUSION

22 Affordability was a central design principle of this Preferred Plan, and it is a principle the *PUA*, this Board
23 (in Matter M12282), and parties to this proceeding recognize as legitimate. The question for the Board
24 under s. 79L(4) is whether the Preferred Plan is in customers’ best interests and satisfies s. 79I. As set out
25 in Section 4.1, E1 submits that its affordability assessment and the level it produced meet that standard
26 and are entitled to weight as the franchise holder’s considered judgment under s. 79L(3), while the weight
27 ultimately assigned to near-term affordability against incremental long-term savings remains for the Board
28 to determine.

⁷¹ M12282, NSEB Hearing Transcript, August 6, 2026, p 762, lines 1–5.

⁷² *PUA*, ss. 79L(4) and 79I; E1’s accountability for delivery runs to the Board through the approved Purchase Agreement.

5. SYSTEM PLANNING

Much discussion has been had with respect to the timing of the Potential Study, IRP, and DSM Plan. The hearing record demonstrates substantial agreement that DSM planning should be better coordinated with broader electricity system planning. Both Dr. Sergici and Mr. Love supported a planning sequence in which DSM potential studies inform integrated resource planning, which in turn informs DSM plan development.

Both Ms. Sergici and Mr. Love described a similar planning sequence, as summarized by Mr. Love:⁷³

So I think the order here needs to be kind of potential study into IRP, which identifies what the resource needs are, which can then drive a plan to meet those resource needs. Unfortunately, what we have right now in Nova Scotia is that the DSM Plan itself has kind of gone off any sort of cadence with the greater resource planning exercise. And I would really like to see it aligned with that in a much more sequential way here.

E1 agrees with Ms. Sergici and Mr. Love, that maintaining current DSM potential studies is an important planning practice and has included resources within the 2027–2031 DSM Preferred Plan to undertake a new DSM potential study, which will inform a future IRP and the next DSM Plan.

The evidence demonstrates that the current planning cycle is occurring during a period of transition within Nova Scotia's electricity sector, including the development of new planning processes involving IESO Nova Scotia. In those circumstances, the Board should view DSM planning, DSM potential studies, and integrated resource planning as complementary planning activities that should increasingly inform one another as those processes continue to mature.

As planning processes mature, E1 anticipates continued coordination between future DSM potential studies, integrated resource planning activities, and future DSM plans so that DSM resources can be evaluated alongside other resource options within a more integrated planning framework.

⁷³ M12282, NSEB Hearing Transcript, August 6, 2026, p 829, lines 7–15.

6. TARGETS, REPORTING AND ACCOUNTABILITY

6.1 INTRODUCTION

The targets, reporting, and accountability provisions of E1's Preferred Plan must be considered together. The performance targets establish the outcomes E1 is required to pursue over the five-year Plan period. The reporting framework provides the Board and stakeholders with regular, detailed information regarding progress toward those targets. The Annual Adjustment Process permits limited implementation changes in response to actual market and program conditions, without changing the approved performance targets. The Mid-term Check-in provides a structured opportunity to assess whether material developments justify further action during the Plan term.

The Preferred Plan, as amended by Schedule A, strikes an appropriate balance between three objectives:

1. establishing measurable, achievable and enforceable five-year performance targets;
2. preserving sufficient implementation flexibility to respond to market and program conditions that cannot be predicted with precision at the time of filing; and
3. ensuring meaningful transparency, stakeholder participation and Board oversight over the first five-year DSM Plan.

The Board has authority under section 79M(1) of *PUA* to establish performance requirements for E1. The proposed Purchase Agreement accordingly includes Board-approved performance targets, while the proposed SFF defines the associated performance metrics, indicators, targets and thresholds. The Preferred Plan proposes five performance targets over the 2027–2031 Plan period: (1) GWh of cumulative incremental net energy savings; (2) MW of cumulative peak demand savings; (3) GWh of energy savings from dedicated low-income and equity programs; (4) MW of available DR capacity; and (5) GWh of customer-sited solar-PV generation. Under the proposed framework, E1 achieves substantial compliance where it attains at least 90 percent of each approved performance target. Performance targets apply over the full Plan period, not as five separate annual obligations.

Therefore, E1 will be held accountable throughout the 5-year Plan period. The Preferred Plan, as amended by Schedule A, provides further refinements for regulatory oversight including enhanced reporting, prospective Board approval for material departures, and structured mechanisms for responding to changed conditions, that provide rigorous and proportionate oversight.

6.2 PERFORMANCE TARGETS

E1's proposed targets are measurable and achievable. The Preferred Plan contains quantified, resource-specific five-year performance targets, including a distinct target for dedicated low-income and equity savings subject to the existing 90 percent substantial-compliance standard, with the Board retaining discretion where a target is not achieved. The Annual Adjustment Process cannot revise those approved targets. E1's targets reflect the resources included in the Preferred Plan and the investment approved for those resources and were selected based on the Preferred Plan's resource mix, program design, modelling assumptions, anticipated customer participation, available market opportunities, delivery capacity and affordability constraint.

6.3 REPORTING

E1's reporting framework, which operates throughout Plan implementation, is extensive.⁷⁴ E1 will provide regular reporting through quarterly progress reports, annual progress reports, annual program evaluation reports, and annual audited financial statements. Over the five-year term, E1 will file six reports annually, resulting in thirty DSM reports. Historically, the Board's savings verification consultant has also conducted an independent annual review of E1's evaluated savings, with the resulting verification filed with the Board. Each report provides an opportunity for questions and comments, and the Board may initiate a review at any time.

To ensure that annual reporting is meaningful within a five-year performance framework, E1 proposed enhancements. Quarterly reports will include year-to-date and cumulative progress toward the Board-approved five-year targets. Annual Adjustments will be included in the Q3 DSM Report following DSMAG engagement on the proposed adjustments. Following the Annual Progress Report and Evaluation Report, E1 will convene an annual DSMAG session to review implementation progress, rate-class spending and related matters. E1 will also offer one-on-one stakeholder meetings to address questions and discuss results. Schedule A adds further reporting commitments (discussed in detail in Section 3.1, above).⁷⁵

⁷⁴ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Evidence, p 66–67.

⁷⁵ E-42, E1 Opening Statement, Schedule A.

The reporting framework is therefore both retrospective and forward-looking. It reports results achieved, while also identifying developing risks early enough for stakeholders, E1 and the Board to consider an appropriate response.

6.4 ACCOUNTABILITY

In addition to the ability of the Board to review and respond to any of the 30 reports filed by E1, accountability is also enhanced by the Annual Adjustment and Mid-term Check-in processes. The Annual Adjustment Process is described in detail in Section 3.1 above. For accountability purposes, the essential point is that it gives E1 only limited flexibility to adjust program-level spending and savings and rate-class level spending in response to market and program conditions not known when the Plan was prepared. Meanwhile, the Mid-term Check-in responds to stakeholder concerns about performance risk and oversight during the statutory five-year term by creating a structured opportunity to review implementation progress, results, trends, evaluation findings, market conditions, rate-class spending and emerging challenges or opportunities. Schedule A strengthens the Mid-term Check-in by establishing both calendar-based and events-based triggers.

6.5 CONCLUSION

E1 respectfully submits that the proposed performance targets are appropriate for the Preferred Plan and that the reporting and accountability mechanisms, as amended by Schedule A, provide a reasonable and robust framework for governing the 2027–2031 DSM Plan. The Preferred Plan contains quantified, resource-specific five-year performance targets. It requires extensive reporting throughout the 5-year period, supported by independent evaluation and verification. Finally, it ensures accountability, including by way of the proposed Annual Adjustment Process and Mid-term Check-in processes.

7. ENERGY EFFICIENCY

7.1 INTRODUCTION

E1 submits that the investment in, and programs supporting, the Energy Efficiency (“EE”) portfolio is reasonable and in the best interests of ratepayers. In this DSM Plan, E1 relies on its extensive experience in providing EE to the Nova Scotian electricity system in order to achieve significant system peak demand

1 and lifetime energy savings.⁷⁶ Investment levels in residential programs represent approximately 56
2 percent of the EE portfolio and BNI sector programs at 44 percent.⁷⁷ At the same time, residential sector
3 programs will generate approximately 29 percent of the portfolio savings and BNI sector programs
4 providing 71 percent of the energy efficiency portfolio savings.⁷⁸

6 7.2 STAKEHOLDER PERSPECTIVES

7 On cross-examination, the CA's expert, Mr. Love, supported E1's Preferred Plan allocation of approximately
8 90 percent total investment to the EE portfolio, 9 percent for DR and 1 percent for solar PV. In particular,
9 he supported the distribution between EE and DR in E1's Preferred Plan scenario.⁷⁹ CA comments on
10 allocation to low-income and equity groups are discussed in Section 8.1.1.

11
12 Board counsel expert, Synapse, raised no issue concerning E1's EE programs, or investment allocation
13 across EE, DR and solar PV portfolios. Synapse's conclusions flagged that E1's proposed energy and capacity
14 savings from EE fell far short of IRP levels and took issue with E1's proposed decrease in DSM spending
15 and investment levels over the course of the Preferred Plan.⁸⁰

16
17 The expert for NS Power, Ms. Sergici, suggested E1 heavily weighted its Plan toward "rising-cost
18 traditional"⁸¹ EE, and that DR should play a larger role in the 2027–2031 DSM portfolio. On cross-
19 examination, Ms. Sergici agreed that Brattle does not dispute the investment levels put forward by E1, but
20 disputes the resource allocation between EE and DR in the Preferred Plan. Ms. Sergici suggests that it
21 would be appropriate to shift investment from EE into the DR portfolio as a directional focus, and
22 recommends E1 explore cost-effective program delivery,⁸² but did not suggest targets or investment levels
23 for such a shift.⁸³

⁷⁶ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Appendix A, p 28, Table 8.

⁷⁷ Ibid., p 35, line 12–14.

⁷⁸ Ibid., p 35, lines 14–15.

⁷⁹ M12780, NSEB Hearing Transcript, August 6, 2026 (Love Cr-ex, Westin-Eastaugh), p 786, lines 1–5 & p 787, lines 1–15.

⁸⁰ E-23, Synapse Evidence, p 5, lines 5–9.

⁸¹ E-22, NS Power Evidence, Attachment 1, p 6.

⁸² M12780, NSEB Hearing Transcript, August 5, 2026 (Sergici Cr-ex, Gogan), p 607–616.

⁸³ Ibid., p 617–620.

1 Notably, there is significant common ground. NS Power’s expert accepts that the importance of DSM is
2 “not in dispute,” and recognizes E1 as an experienced administrator that has had “significant success”⁸⁴
3 delivering EE programs and is well positioned to build on that experience.

4
5 Furthermore, NS Power’s expert did not design an alternative DSM portfolio or an alternative strategic-
6 electrification portfolio, and could offer no recommended EE / DR / SE allocation — neither a percentage
7 nor a dollar figure — explaining that it is “not possible to determine an appropriate ratio ex ante.”⁸⁵ Dr
8 Sergici’s recommendations are, in her own words, “directional and high level, with implementation falling
9 squarely within the responsibilities of the program administrator” — that is, E1.⁸⁶

10
11 Eastward Energy expressed concerns by way of expert evidence regarding the Custom New Construction
12 Program baseline and incentive structure.⁸⁷

13
14 Solar Nova Scotia expressed disagreement with program design choices, notably with respect to energy
15 managers.⁸⁸

17 7.3 E1’S PREFERRED PLAN

18 E1 submits that the proportion of investment of the DSM Plan in EE as set out in the Preferred Plan is
19 appropriate given EE’s strong cost-effectiveness, and it being a proven resource with significant benefits
20 to the electricity system and Nova Scotia ratepayers.

22 7.3.1 COST-EFFECTIVE

23 E1’s energy efficiency portfolio continues to be highly cost effective, with a PAC result of 2.5,⁸⁹
24 demonstrating that energy efficiency remains a lower cost option as compared to supply side options.⁹⁰
25 While E1 agrees with Ms. Sergici that costs for EE are rising, looking at the trajectory of costs alone is
26 inappropriate. EE remains the most cost-effective resource in the Preferred Plan, meaning it provides the

⁸⁴ E-22, NS Power Evidence, Attachment 1, p 1 and p 3.

⁸⁵ E-32, NS Power(CA) RIR 1 to 10: CA IR-1 (a–b), p 1, line 19.

⁸⁶ E-33, NS Power (IG) RIR 1 to 15: IG IR-2(a), p 2, line 13–14.

⁸⁷ E-20, Eastward Energy Evidence, p 1–3.

⁸⁸ E-24, Solar Nova Scotia Evidence, p 3–4.

⁸⁹ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Appendix A, p 28, Table 8.

⁹⁰ Ibid., p 39, lines 27–28.

highest value-for-dollar to NS Power customers. This is an important factor to consider for a Plan which, as the Board has in the past emphasized, must reduce electricity costs for ratepayers⁹¹ [and during a time in which short-term affordability is of central concern (a concern which Ms. Sergici herself shares, as confirmed in her cross-examination)].⁹²

7.3.2 SYSTEM BENEFITS (ALIGNED WITH IRP)

The Preferred Plan's EE portfolio will provide significant system benefits. The proposed EE portfolio will achieve 435.4 GWh of first-year energy savings, 85 MW of peak demand savings and 5,335.1 GWh of lifetime energy savings.⁹³ The EE portfolio is directionally aligned with the current IRP. Its proposed savings of 435.4 GWh represents approximately 64 percent of the current IRP level for the 2027–2031 period and keeps Nova Scotia on a trajectory toward those longer-term goals.⁹⁴

7.4 CONCLUSION

Not only does the EE portfolio provide significant system benefits, but it does so at a significantly lower cost than any other resource, as evidenced by the cost-effectiveness test.

8. DEDICATED LOW-INCOME AND EQUITY PROGRAMS

The evidence demonstrates that the Preferred Plan contains a meaningful and deliberate commitment to low-income and equity-serving customers. Specifically, 11 percent of the total residential energy savings support dedicated low-income and equity programs which is aligned with 2023-2026.⁹⁵

8.1 STAKEHOLDER PERSPECTIVES

There is no evidence in this matter arguing that E1 should not be serving low-income and equity groups. The only stakeholder who argues against the provision of services aimed at an equity-serving group is NS Power, insofar as they oppose the solar-PV program (discussed in greater detail below); however, their opposition is rooted in issues with the resource itself, and not with the goal of serving an equity group.⁹⁶

⁹¹ M12282, E1 Application for approval of a New Benefit-Cost Analysis Test for Evaluating Demand Side Management Plans, NSEB Decision, December 10, 2025, paras 6 and 7.

⁹² M12780, NSEB Hearing Transcript, August 5, 2026, p 606, line 17–p 607, line 11.

⁹³ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Appendix A, p 28, Table 8.

⁹⁴ Ibid, Evidence, p 27, lines 24–26.

⁹⁵ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Evidence, p 26, lines 5–7.

⁹⁶ M12780, NSEB Hearing Transcript, August 5, 2026 (Sergici Cr-ex, Gogan), p 636 line 7–637 line 16.

1 The CA supports the continuation of dedicated low-income and equity programs and argues that the
2 proposed level of service is not enough. The CA's expert, Mr. Love's principal concern is that E1 has "set its
3 targets for low-income and equity customers by reference to its own past performance rather than to the
4 need in the population" and that this approach "locks in historically low delivery to the customers who
5 most need bill relief."⁹⁷ Instead, the CA recommends that the Board establish a dedicated low-income
6 savings target equal to 14.9 percent of residential savings, corresponding to the percentage of Nova
7 Scotians identified as low-income in Census data.⁹⁸

8
9 However, in questioning of Mr. Love at the hearing, Board counsel asked whether Mr. Love took any issue
10 with utilizing the Statistics Canada matters calculating Nova Scotians who are low income as 10.9 percent
11 in 2024, based on the Market Basket Measure (MBM) (as opposed to the 14.9 percent, relied on by Mr.
12 Love. By way of Undertaking-12, Mr. Love explains:⁹⁹

13
14 *LIM-AT and MBM are two of the five measurements published by Statistics Canada that*
15 *can define "Low-income Status". LIM-AT was used by EfficiencyOne (E1) as the basis for*
16 *the "Low-Income and Equity investment as a % of total energy efficiency portfolio" metric*
17 *in the development of the Round 1 Model input Assumptions for the 2027 to 2031 DSM*
18 *Plan. E1 also referenced the specific 14.9% figure previously in its 2026 DSM Extension*
19 *filing.] Mr. Love utilized the 14.9% LIM-AT based on E1's reliance on this metric.*

20
21 He provided no additional reasons why the Low-income measure, after tax (LIM-AT) number should be
22 used instead of the MBM number.

23
24 Mr. Love further recommends that the four dedicated low-income program components be consolidated
25 into a single program for monitoring and accountability purposes. The rationale is that consolidating the
26 components would allow the Board to apply the existing 20 percent Annual Adjustment threshold to low-
27 income and equity programs as a whole and provide a mechanism for addressing under-delivery. E1, by
28 way of its Schedule A, committed to undertaking this recommendation.¹⁰⁰

⁹⁷ E-21, CA Evidence, p 18, lines 17–20.

⁹⁸ Ibid, p 20, lines 5–6.

⁹⁹ E-64, CA Response to Undertakings, U-12, p 2, line 33–p 3, line 2.

¹⁰⁰ E-42, E1 Opening Statement, Schedule "A", s 1(b)(i).

Mr. Love also expressed concern about pre-weatherization barriers affecting low-income participants. Finally, the CA supports the inclusion of the solar-PV program, stating that upfront costs have historically prevented customers from accessing solar generation and that beginning with Mi'kmaw communities is a reasonable first step that could support future expansion of similar offerings to other low-income and equity customers.¹⁰¹

The Affordable Energy Coalition, in its Revised Opening Statement, supports free installation of deep energy retrofits in buildings with tenants who pay both heating and electricity bills, noting that about 50 percent of low-income households live in apartments and the current plan has 3.9 times as much money budgeted, and twice as many savings allocated to, the Affordable Single-family Homes program component as for the Affordable Multifamily Housing program component.¹⁰²

8.2 E1'S PREFERRED PLAN

8.2.1 OVERVIEW

E1 has proposed a suite of dedicated low-income and equity-serving programs, including Affordable Single-family Homes and Affordable Multifamily Housing, together with dedicated programs for Mi'kmaw communities - the Mi'kmaw Home Energy Efficiency Project and Mi'kmaw New Home Construction - together accounting for approximately 11 percent of total residential energy savings.¹⁰³ In addition, the Preferred Plan includes a dedicated Solar-PV offering for Mi'kmaw communities. Together, all these programs account for 12 percent of total residential energy savings.¹⁰⁴

Beyond these dedicated programs, E1 has embedded equity considerations throughout the broader portfolio by addressing barriers such as upfront costs, limited access to capital, administrative complexity, landlord-tenant split incentives, geographic barriers, and lack of awareness. The Preferred Plan provides no-cost or low-cost participation pathways, streamlined program delivery, enhanced customer support, and partnerships with community organizations and Mi'kmaw communities to improve participation and access. In doing so, the Preferred Plan recognizes that equitable access may require higher levels of investment and tailored program design, but ensures that the benefits of DSM are available to customers

¹⁰¹ E-21, CA Evidence, p 51.

¹⁰² E-58, AEC Revised Opening Statement, p 3.

¹⁰³ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Appendix A, p 34, line 6.

¹⁰⁴ Ibid., p 35, Table 14. Includes 1.7 GWh of Solar-PV generation; E-6, E1 (AEC) RIRs 1-11: AEC-IR-02, p 2, Table 1.

1 who have historically faced the greatest barriers to participation and who stand to benefit most from
2 reductions in energy costs.

4 8.2.2 INCLUSION OF LOW-INCOME AND EQUITY PROGRAMS

5 E1 submits that the inclusion of low-income and equity programs is appropriate. They ensure that a
6 breadth of ratepayers are able to benefit from the services provided by DSM as program participants. The
7 Board has long acknowledged that it is appropriate to include programs for low-income and equity groups,
8 even when these programs may not be as cost-effective as other programs.¹⁰⁵ Low-income and equity
9 programming helps to address barriers to participation by low-income and equity groups, and thereby
10 satisfies the balanced plan criteria of “[a]ccess to programs by all market sectors and rate classes by
11 addressing barriers to participation”.¹⁰⁶

13 8.2.3 PERCENTAGE OF LOW-INCOME AND EQUITY INVESTMENT

14 E1 submits that the dedication of 11 percent of total residential savings to dedicated low-income and
15 equity savings in the Preferred Plan is appropriate and aligned with 2023-2026 at 10.5 percent.¹⁰⁷

16
17 Defining the exact percentage low-income and equity persons make up the residential sector in Nova
18 Scotia is not an exact science. As noted by Mr. Love in response to Undertaking-12, Statistics Canada uses
19 five different measurements that can define “Low-income status”. Furthermore, E1 notes that the 11
20 percent addresses total dedicated savings to low-income and equity groups. It does not address the
21 investment in these groups. Within E1’s 2027–2031 DSM Preferred Plan, 42 percent¹⁰⁸ of the total
22 residential investment for energy efficiency supports dedicated low income and equity programs and 51
23 percent¹⁰⁹ of the total residential investment for energy efficiency support low-income and equity
24 customers (inclusive of both dedicated and incidental investment). Further, 23 percent of the total Plan
25 investment supports energy efficiency low-income and equity customers (inclusive of both dedicated and
26 incidental investment).¹¹⁰ E1 notes that these programs are particularly costly and increasing the

¹⁰⁵ M10473, 2023-2025 DSM Plan Decision, paras 106–110.

¹⁰⁶ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Appendix F: Standardized Filing Framework, Balanced Plan Approach, page 7–8.

¹⁰⁷ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Evidence, p 26, lines 5–7.

¹⁰⁸ E-6, E1 (AEC) RIRs 1-11, IR-02, p 2, Table 1.

¹⁰⁹ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Appendix A, p 35, Table 14 and Table 8;

¹¹⁰ Ibid.

percentage of energy savings to be obtained from these programs will necessarily increase the investment therein. Since dedicated programs already represent 42 percent of total residential investment, E1 is hesitant to raise this cost, and reduce support even more for residential ratepayers.

8.2.4 DEDICATED LOW-INCOME AND EQUITY PROGRAMS

As suggested by the CA, by way of Schedule A, E1 has committed to carve out a dedicated low-income and equity program from the existing programs that target low-income and equity groups.¹¹¹ This carve-out will allow for reporting and measuring threshold achievements and tracking performance.¹¹²

8.2.5 PRE-WEATHERIZATION BARRIERS

E1 addressed Mr. Love’s comments on pre-weatherization barriers in its Rebuttal Evidence and relies thereon.

8.3 CONCLUSION

E1’s Preferred Plan includes an appropriate amount of low-income and equity funding in order to help reduce barriers faced by low-income customers and Mi’kmaw communities in accessing DSM services, and to ensure that the benefits of DSM can be accessed by a broader array of NS Power ratepayers, including customers facing income-related or other structural barriers.

9. DEMAND RESPONSE

9.1 INTRODUCTION

Approximately 29.3 MW of available capacity is provided by way of DR under the Preferred Plan. Available DR capacity represents the amount of load reduction that can be achieved during peak periods by temporarily reducing or shifting electricity usage in response to grid signals or incentives. This capacity is made available to the utility to help manage peak demand and maintain grid stability.

E1 launched its DR program within its 2023–2025 DSM Plan, delivered through the Residential and BNI DR program components. In light of slower program ramp-up than originally anticipated, for the 2027–2031 DSM Plan, E1 has focused on setting performance targets that are achievable and reasonable, based on

¹¹¹ E-42, E1 Opening Statement, Schedule “A”, s 1(b)(i).

¹¹² Ibid.

1 lessons learned in the 2023–2025 DSM Plan period. Furthermore, faced with concerns regarding cost-
2 effectiveness results (including concerns raised by stakeholders in the 2026 DSM Extension proceeding
3 and 2027–2031 DSM Resource Plan development phase), E1 has not grown its residential DR pathway for
4 the 2027–2031 DSM Plan period.

5
6 While the BNI DR program component (Smart Synergy pathway) will achieve modest growth in available
7 capacity over the 2027–2031 DSM Plan period, the Residential DR (Eco Shift pathway) will remain constant
8 at the 2026 DSM Extension levels - though customers may be swapped out for others who are expected
9 to provide greater participation rates.¹¹³ However, the door remains open to adding further residential DR
10 during the Plan period by way of the Mid-term Check-in process, should cost-effectiveness improve during
11 the course of the Plan.

12 13 9.2 STAKEHOLDER PERSPECTIVES

14 The majority of the stakeholders raise no concerns specific to the proposed DR program. Two intervenors
15 — NS Power and Solar Nova Scotia — sought a larger role for DR in the Plan.

16
17 One expert, Mr. Love, provided evidence specifically in favour of the DR program proposed by E1. Mr. Love
18 supports the approval of the BNI DR (Smart Synergy) program component since it is cost-effective and
19 delivers dispatchable winter peak capacity that benefits all ratepayers.¹¹⁴ Mr. Love supported continuation
20 of the residential DR program component only at the exploratory level proposed in E1's Preferred Plan.¹¹⁵
21 He explains that “scaling back is a reasonable posture for a component that is not yet cost-effective” and
22 “committing new ratepayer funds to enroll additional residential participants would not be prudent until
23 the component demonstrates cost-effectiveness.”¹¹⁶ In cross-examination, Mr. Love confirmed that he was
24 comfortable with the split in the allocation of total investment as between DR and EE for the Plan.¹¹⁷

25
26 NS Power set out the most detailed disagreement with E1's approach to DR supporting substantially
27 expanding DR and treating it as a capacity resource, not merely an energy-efficiency program. Their expert,

¹¹³ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Appendix A, p 76–77.

¹¹⁴ E-21, CA Evidence, p 53, lines 20–22.

¹¹⁵ Ibid., p 53, lines 18–20.

¹¹⁶ Ibid., p 46, lines 15–16 and p 47, lines 1–2.

¹¹⁷ M12780, NSEB Hearing Transcript, August 6, 2026, p 787, lines 1–15.

1 Ms. Sergici, recommends greater focus on winter peak reduction and system flexibility.¹¹⁸ She raises
2 concerns regarding the limited expansion of the DR program, specifically the “stagnant” residential
3 program, as a key weakness in the Preferred Plan as system capacity gets tighter.¹¹⁹ Solar Nova Scotia
4 likewise urged that DR play a substantially larger role, criticizing the reliance on fully subsidized
5 thermostats and water-heater controllers in existing buildings and pointing to opportunities in new
6 construction, EVs, heat pumps, water heaters and battery storage that it considered largely unaddressed.
7 Both NS Power and SNS’s criticism’s are addressed though E1’s cost effectiveness position: it would not be
8 prudent to direct additional ratepayer funds to residential DR before that component is demonstrated to
9 be cost-effective, and E1 remains open to expanding it during the Plan period, including through the mid
10 term check in process, should cost-effectiveness improve.

11
12 Ms. Sergici notes that to stop the buildout of the residential program now could jeopardize its progress to
13 date.¹²⁰ She flags that this leaves a significant source of residential DR participation untapped and also
14 heightens the risk profile of BNI DR impacts.¹²¹ However, in cross-examination by the IG, Ms. Sergici
15 confirmed that she has not seen the performance data and has not quantified that risk.¹²²

16
17 The current record does not support the urgency premise underlying NS Power’s call for aggressive
18 residential DR expansion. Dr. Sergici confirmed that Brattle conducted no Nova Scotia-specific load-
19 flexibility or DR potential study for Nova Scotia and cannot say by how much the Preferred Plan allegedly
20 understates achievable DR. Dr. Sergici’s “1.3% of peak” maximum-potential figure applies to 2036, not
21 2031, the end of this Plan term.¹²³ Moreover, the tightening-reserve-margin concern was based on the
22 2025 outlook; the IESO-Nova Scotia 2026 10-Year System Outlook improved the reserve margin by, on
23 average, roughly five percentage points.¹²⁴ E1 uses avoided costs to assess the relative value of resources
24 based on the system (net) benefits they provide. The requirement for sufficient reserve margin is captured
25 within avoided costs. If the level of system urgency was extremely high, E1 would expect this to be

¹¹⁸ E-22, NS Power Evidence, Attachment 1, p 19–20.

¹¹⁹ Ibid., p 12.

¹²⁰ Ibid., p 14.

¹²¹ Ibid., p 12.

¹²² M12780, NSEB Hearing Transcript, August 5, 2026, p 603, lines 2–9.

¹²³ E-33, NS Power (IG) RIR 1 to 15: IG-6, p 2, lines 13–15.

¹²⁴ Ibid., p 2, lines 3–5.

1 reflected in the avoided costs, which would signal that there may be value in doing more. The evidence
2 therefore supports E1's plan of cost-effectiveness-led expansion rather than an aggressive build-out.¹²⁵

3
4 Specifically with respect to the residential program component, Ms. Sergici believes it is too limited, too
5 expensive and too passive in its approach to program development.¹²⁶ Ms. Sergici flags that residential DR
6 program costs are much higher compared to DR programs from other utilities. She says that
7 implementation costs could decrease if E1 learned from their prior challenges, improved their
8 administration of the DR program and took best practices and lessons learned from other utilities with
9 more robust established DR programs.¹²⁷ Ms. Sergici suggests that E1's pausing the expansion of the
10 residential DR program component assumes that inaction will somehow result in a higher PAC test
11 result.¹²⁸ She believes that if E1 does not invest in better residential DR delivery, stronger customer
12 acquisition, cleaner technology integration, and more rigorous performance measurement in this DSM
13 cycle, there is little reason to expect the cost-effectiveness to look materially better in the next plan.¹²⁹

14
15 On cross-examination, Ms. Sergici confirmed she suggests shifting investment in energy efficiency to DR,¹³⁰
16 and particularly to residential DR,¹³¹ as she believes there is greater value for Nova Scotia in a robust DR
17 portfolio.¹³² However, she has not quantified the levels at which that investment should be made,¹³³ and
18 her recommendations on residential DR and reallocation were directional and high-level.¹³⁴

19
20 NS Power's expert and E1 are largely aligned. Dr. Sergici does not recommend broad near-term spending
21 increases or unchecked residential DR expansion. She agrees that residential DR should be developed in a
22 disciplined and affordable way, that scale alone does not establish cost-effectiveness, and that the

¹²⁵ E-32, NS Power (CA) RIR 1 to 10:CA IR-5 and E-33, NS Power (IG) RIR 1 to 15: IG IR-6(a) and (b); IG IR-12 (a) and (b).

¹²⁶ E-22, NS Power Evidence, Attachment 1, p 19.

¹²⁷ Ibid., p 16.

¹²⁸ Ibid., p 16.

¹²⁹ Ibid., p 19.

¹³⁰ M12780, NSEB Hearing Transcript, August 5, 2026, p 608, line 12–p 609, line 7, and p 612, line 11–16.

¹³¹ Ibid., p 614, line 17–p 615, line 3.

¹³² Ibid., p 613, line 3–9.

¹³³ Ibid., p 612, line 17–19.

¹³⁴ Ibid., p 613, lines 1–3; p 619, line 10–13.

appropriate next step is a DR potential study. That is the phased approach E1 is following through its engaged consultant and 2026 DSM Potential Study, rather than over-committing residential DR funding.¹³⁵

Ms. Sergici appears to agree with E1 that work can be done on the DR programs to allow them to be delivered more cost-effectively. On cross-examination, she indicated that E1 can improve residential DR delivery within its approved budgets and that, if and when E1 identifies opportunities to do so, it could devise ways to allocate additional budget to the program - evidence reproduced in Section 9.2 above.

Ms. Napoleon did not opine in favour or against the DR programs as proposed in the Preferred Plan, but provided the specific recommendations respecting program design, which largely aim to reduce costs. These recommendations include:¹³⁶

- 1) E1 should seek opportunities to reduce overall costs per kW of capacity by enrolling new participants in pathways with low marginal costs of customer enablement.
- 2) E1 should evaluate program design changes that could drive higher average benefits per kW capacity.
- 3) E1 should conduct a process evaluation of the delivery of the residential DR program to identify opportunities for gaining efficiencies and achieving cost reductions.
- 4) E1 should review its competitive procurement process for residential DR delivery services.
- 5) E1 should re-evaluate cost-effectiveness under updated program designs midway through the plan during the mid-plan check-in.
- 6) E1 should consider designs for EV charging DR that shift charging off-peak throughout the year, rather than just during select events, including evaluating at a high level the potential efficacy of 3 program designs (the current event-based approach, behavioural through time-of-use rates, and program-managed charging).
- 7) E1 should weight performance equally across all hours of each DR event, and consider whether a four-hour event is the most appropriate duration.
- 8) E1 should develop a higher incentive for battery-based BNI standby resources than for fossil-fueled generators.

¹³⁵ E-32, NS Power (CA) RIR 1 to 10: CA IR 8 and CA IR 4(a); E-31, NS Power (E1) RIR 1 to 9: E1 IR-5(b).

¹³⁶ E-23, Synapse Evidence, p 36–45.

Napoleon’s comments on program delivery costs are addressed specifically in section 9.3.1, below. She notes that “it is likely that the BNI DR portfolio suffers less performance degradation over the course of events than the residential portfolio.”¹³⁷

9.3 E1’S PREFERRED PLAN (AS AMENDED)

E1’s Preferred Plan is supportive of DR, growing the total DR capacity by approximately 80% from 16.3 MW in 2026 to 29.3 MW in 2031.¹³⁸

9.3.1 BNI DR

The BNI DR program pays business, institutional, non-profit, commercial, and industrial customers to reduce electricity consumption during peak demand events called by the utility. Medium Industrial, Large General, General, Small Industrial and Large Industrial rate classes are expected to participate in the program.¹³⁹ Customers commit demand-response capacity and receive compensation based on their load curtailment performance.

The Preferred Plan includes a total BNI DR investment of \$18.8 million, with lifetime benefits of \$40.5 million and a PAC result of 2.4, showing it is cost-effective.¹⁴⁰ The projected available capacity obtained by 2031 through the BNI DR program is 25.5 MW.¹⁴¹ The program will scale from 17 MW of available capacity in 2027, to 25.5 MW available capacity in 2031.¹⁴²

E1’s BNI DR program component for the 2027–2031 DSM Plan is built on demonstrated capacity. The component has a proven track record during the 2023–2026 DSM Plan; it grew successfully from nine participants in 2023 to 143 participants in 2025.¹⁴³ Beyond increased participation, E1 has also been able to make operational refinements which greatly increased curtailment performance. Results show 12.7 MW was achieved in 2026, compared to 5.9 MW in 2025.¹⁴⁴

¹³⁷ E-38, Synapse (IG) RIR 1 to 10: IG IR-7 (b), lines 21–22.

¹³⁸ E-41, E1 Rebuttal Evidence, p 20, lines 17–18.

¹³⁹ E-9, E1 (IG) RIRs 1–29: IG IR-18 (a).

¹⁴⁰ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Evidence, p 58 (PDF 65), Table 9.

¹⁴¹ Ibid.

¹⁴² Ibid., Appendix A, p 81 (PDF p 169), Table 46.

¹⁴³ Ibid.

¹⁴⁴ M13053, E1 2026 Q2 DSM Report, p 19.

With respect to Ms. Sergici’s suggestion of risk from limited class-level diversification within the BNI DR portfolio, E1 notes that such risk is asserted, not quantified. Even if quantified, it is expected to be minimal given the historically demonstrated capacity, the conservative growth projections (143 participants in 2025 [the 2024/25 season] to 175 in 2031),¹⁴⁵ the focus on customers who can provide meaningful curtailable capacity and reliable participation, and the close working relationship enabled by a relatively small participant base.

With respect to Ms. Napoleon’s recommendation for a higher incentive for battery-based BNI standby resources than for fossil-fueled generators, E1 submits this is worth considering for the future, but not for the 2027–2031 Plan. While the *ERBA* requires the Board to consider sustainable prosperity and development, the BNI DR program does not incentivize the purchase of new back-up generators; it signs up participants who already have their own. There are currently very few commercial batteries installed in Nova Scotia and none enrolled in the program. Designing a separate incentive for a resource not currently in use – particularly where high battery capital costs would require extensive incentives – is not a practical use of funds for this plan. Should battery availability and participation increase, and/or costs decrease, E1 would reconsider this approach for a future plan.

9.3.2 RESIDENTIAL DR

9.3.2.1 CURRENT COST-EFFECTIVENESS

Residential DR is not currently cost-effective, with a PAC result of 0.7.¹⁴⁶ As noted by Ms. Napoleon, [o]n average, total residential program cost-to-curtail is nearly three times (2.9) that of the BNI program”.¹⁴⁷ As currently designed, residential DR will not be cost effective for any year of the 2027–2031 DSM Plan.¹⁴⁸ Therefore, E1 is continuing efforts to optimize the program (discussed in greater detail below), and anticipates these efforts will allow the program to reach cost-effectiveness within the next 2 – 3 seasons.¹⁴⁹

¹⁴⁵ E-2, Annual Progress Report, p 9, Table 2 and Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Appendix A, p 81 (PDF p 169), Table 46.

¹⁴⁶ Ibid., p 28, Table 8.

¹⁴⁷ E-23, Synapse Evidence, p 31, lines 19–20.

¹⁴⁸ E-12, E1 (NSEB) RIRs 1-66: NSEB IR-12, p 9, Table 2.

¹⁴⁹ M12780 NSEB Hearing Transcript, August 4, 2026, p 176, lines 15–17 and p 177, lines 3–5.

9.3.2.2 OPTIMIZATION

Despite the current PAC results for residential DR, E1 anticipates it can bring the residential DR program component to cost-effectiveness. It will be working during the course of the 2027–2031 DSM Plan to do so. E1's efforts will focus on technology optimization, including encouraging enrolled devices to participate in events that are called and solving technological issues such as disconnection of devices,¹⁵⁰ as well as optimizing the unitary variable costs associated with enrolling additional devices in the program.¹⁵¹ It will also include working with data to identify customers who are more likely to participate in the program, and replacing them with customers who are not currently participating.¹⁵² E1 believes this optimization work can allow the residential DR component to reach cost-effectiveness without scaling up the residential DR component further during the 2027–2031 DSM Plan.¹⁵³ However, the timeline for achieving cost-effectiveness is not certain.

9.3.2.3 APPROPRIATE APPROACH

Given the fact that the residential DR program component is not currently cost-effective, and the timeline for achieving cost-effectiveness is unknown, E1 submits it is appropriate to maintain the residential DR component at its current level and focus growth in DR available capacity in the BNI program component at this time. This is particularly the case in this current DSM plan where affordability is of central focus. In these circumstances, E1 does not think it is prudent to shift funds from a more cost effective BNI DR component (with a PAC result of 2.4) or an even more cost-effective EE suite of programs (at a PAC of 2.5)¹⁵⁴, to residential DR which has not yet been proven to be cost-effective. Until the residential DR program component has been optimized, such a transfer of investment would result in higher costs to ratepayers.

On cross-examination, Ms. Sergici's evidence supports E1's approach: she indicated that E1 can improve the cost-effectiveness of residential DR through better delivery and targeting within its approved budgets and that, if and when E1 identifies opportunities to do so, it could devise ways to allocate additional budget to the program.¹⁵⁵ E1's position is that allocating additional funds to residential DR at this time would not

¹⁵⁰ Ibid., p 184, line 4–p 185, line 7.

¹⁵¹ Ibid., p 186, lines 1–7.

¹⁵² Ibid., p 178, line 1–p 179, line 11.

¹⁵³ Ibid., p 182, lines 4–11.

¹⁵⁴ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Appendix A, p 28, Table 8.

¹⁵⁵ M12780, NSEB Hearing Transcript, August 5, 2026, p 629, line 8–p 630, line 11.

be appropriate. However, if and when the program component reaches cost-effectiveness through the optimization work, E1 would be able to discuss the potential to grow the program component through the request for a Plan amendment with the DSMAG at that time by way of the Mid-term Check-in process. E1 notes that the installation of devices like smart thermostats through the energy efficiency programs can be leveraged for DR in the future once the component reaches cost-effectiveness.

9.3.2.4 MS. NAPOLEON'S RESIDENTIAL DR RECOMMENDATIONS

E1's positions on each of Ms. Napoleon's recommendations are set out in its Rebuttal Evidence, E-41. None of the evidence provided at the hearing changed E1's position on these matters.

9.4 CONCLUSION

E1 submits that the allocation of investment to the DR program as presented in the Preferred Plan is appropriate based on achievability and the lower cost-effectiveness results of the DR portfolio as compared to other resources. E1 further submits that the greater allocation of funding to the BNI program component is appropriate at this time given the significantly better cost-effectiveness results obtained from that pathway. However, E1 remains open to considering requesting additional funds to support greater residential DR investment, in the event the optimization work leads to improved cost-effectiveness results for the Eco Shift program.

10. SOLAR-PV

10.1 OVERVIEW

The Preferred Plan proposes a modest level of solar-PV in the proposed 2027–2031 DSM Plan (0.9 percent of total DSM investment).¹⁵⁶ If approved, this would be the first time that solar-PV as a stand-alone resource would be included in an E1 DSM Plan.¹⁵⁷

The solar-PV program focuses exclusively on residents in Mi'kmaw communities,¹⁵⁸ and is designed to be coordinated with the Mi'kmaw New Home Construction program component. These solar-PV activities are designed to provide 1.7 GWh of electricity that NS Power would otherwise be required to supply to

¹⁵⁶ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Evidence, p 34 (PDF p 41).

¹⁵⁷ Ibid., p 50 (PDF p 57), line 7.

¹⁵⁸ Ibid., p 33 (PDF p 40), lines 16–17.

1 customers.¹⁵⁹ The targeted nature of the offering (focused on Mi'kmaw communities to address barriers
2 to DSM participation) furthers the legislative objective under s. 7(b) of the *Environmental Goals and*
3 *Climate Change Reduction Act* to prioritize equitable access and benefits for low-income and marginalized
4 Nova Scotians and is consistent with the *ERBA* s. 6(2)(d) requirement that the Board consider sustainable
5 development and sustainable prosperity. The solar-PV activities also reflect E1's engagement with the
6 interests and concerns unique to Mi'kmaw communities and supports their participation in the clean
7 energy transition.¹⁶⁰ In her Opening Statement on behalf of the Assembly of Nova Scotia Mi'kmaw Chiefs
8 (the "Assembly" or "ANSMC") and Kwilmu'kw Maw-klusuaqn Negotiation Office ("KMKNO")/Mi'kmaq
9 Rights Initiative, Chief Tamara Young stated as follows in support of the solar-PV component of the Plan:¹⁶¹

10
11 *The Assembly was encouraged to see the forward-looking plan that transitions from*
12 *retrofits to a Residential new Construction program, including incentives for solar PV*
13 *installations. Ensuring homes are comfortable and efficient, with low, or no, energy bills*
14 *from Day 1, will provide benefits throughout the entire life of the home, Investing in a*
15 *community solar program as part of the 2027–2031 Demand-Side Management Plan is a*
16 *critical step toward strengthening our energy future. Solar generation helps keep more*
17 *energy dollars within our communities while improving long-term energy security. By*
18 *combining solar installations with conservation and efficiency initiatives, we can reduce*
19 *our dependence on external energy sources, create local employment and training*
20 *opportunities, and advance our environmental stewardship responsibilities for future*
21 *generations. A dedicated solar program is not only an investment in clean energy, it is an*
22 *investment in community resilience, self-determination, and sustainable economic*
23 *development.*

¹⁵⁹ Ibid., p 2 (PDF p 9), line 9.

¹⁶⁰ Ibid., p 33 (PDF p 40), lines 26–28.

¹⁶¹ E-43, ANSMC and KMKNO Opening Statement, p 3 and M122780, NSEB Hearing Transcript, August 4, 2026, p 47–48.

10.2 STAKEHOLDER PERSPECTIVES

Only one intervenor (NS Power) has provided evidence opposing the inclusion of solar-PV in this Plan. They argue that solar-PV should be excluded from DSM because it does not reduce winter peak demand or provide strong system value.¹⁶²

Meanwhile, as noted above, the Assembly and KMKNO are supportive of the inclusion of solar-PV in the 2027–2031 DSM Plan. In addition, the CA supports its inclusion¹⁶³ and the AEC wishes to see the solar-PV offerings expanded.¹⁶⁴ The EAC did not opine directly on E1’s proposed solar-PV program, though it noted that appropriate solutions may include options such as solar, electrification, insulation or DR.¹⁶⁵

The Department of Energy did not speak directly to solar-PV, but is broadly supportive of the fact that the application addresses equity and access. In that regard, the Department stated in its Opening Statement:¹⁶⁶

The plan maintains a strong focus on residential customers, low-income households, renters, Mi’kmaw communities, businesses, and large customers. Those program areas are important because the benefits of efficiency should not be limited to customers with the resources, information, or building control needed to invest on their own. Publicly administered DSM programs can remove barriers, improve comfort, lower bills, and ensure that the benefits of the energy transition are more broadly shared.

None of the other intervenors have opined directly on the matter of solar-PV in their submissions.

10.3 LEGAL CONSIDERATIONS

10.3.1 SECTION 79A(B)

E1 has the mandate to run solar-PV programs under the *PUA*. During the hearing, Ms. Sergici was asked whether she was aware of any other jurisdiction who ran solar-PV programs as part of DSM.¹⁶⁷ With

¹⁶² E-22, NS Power Evidence, Attachment 1, p 33.

¹⁶³ E-21, CA Evidence, p 51, lines 1–17.

¹⁶⁴ E-48, AEC Opening Statement, p 4.

¹⁶⁵ E-51, EAC Opening Statement, p 2.

¹⁶⁶ E-50, Department of Energy Opening Statement, p 2, lines 65–71.

¹⁶⁷ M12780, NSEB Hearing Transcript, August 5, 2026, p 672, (PDF p 302), lines 12–15.

1 respect, the question before the Board is not whether any other jurisdiction has carried out solar-PV
2 programs as part of DSM. The question is whether E1 has the authority under Nova Scotia's legislation to
3 carry out solar-PV programs and whether such proposed programs are in the best interests of Nova Scotia
4 ratepayers.

5
6 NS Power, being the only intervenor to provide evidence to the Board in this matter opposing the solar-PV
7 investments, presents an argument that suggests that its own view on what constitutes an appropriate
8 DSM resource takes precedence over what the law states:¹⁶⁸

9
10 *E1's proposed Solar PV offering raises two distinct questions that should be analyzed*
11 *separately. The first is whether customer-sited Solar PV can be interpreted to fall within the*
12 *broad statutory definition of DSM under section 79A of the Public Utilities Act. The second is*
13 *whether, as a matter of DSM resource planning and ratepayer-funded portfolio design,*
14 *standalone Solar PV should be treated as an appropriate DSM resource in Nova Scotia's current*
15 *system context. In our view, the latter question is the more important one for the Board to*
16 *consider.*

17
18 With respect, the Board does not have the ability to determine what should be considered a DSM resource
19 in Nova Scotia where the Legislature has already clearly provided direction on that topic. For the reasons
20 outlined below, E1 submits that the Legislature has provided clear direction that solar-PV constitutes an
21 appropriate DSM resource by way of subsection 79A(b)(v) of the PUA. In cross-examination by counsel to
22 E1, NS Power's own expert witness, Ms. Sergici, agreed that there is a statutory basis for solar-PV's
23 inclusion as part of DSM.¹⁶⁹

24
25 *Q. [...] You accept that Solar PV has a textual basis in the statutory definition of DSM under*
26 *the Public Utilities Act. Is that correct?*

27 *A. Yeah, I would – I'm not a lawyer, but that sounds like it would check the mark there.*

28 *Q. I'd believe your language was you "don't dismiss that argument," so...*

29 *A. Yes. Yes, that is correct.*

¹⁶⁸ E-22 (NS Power), Attachment 1, p 32 (PDF p 33).

¹⁶⁹ M12780, NSEB Hearing Transcript, August 5, 2026, p 635, (PDF p 265), lines 7 – 15.

The *PUA* defines DSM in section 79A(b), which is reproduced in full in Section 2.1.1 above. The subsection relevant to solar-PV is s. 79A(b)(v), which includes within the definition of DSM activities, programs or plans relating to “the delivery of a reduction in the amount of electrical energy or capacity that Nova Scotia Power Incorporated would otherwise be required to supply to its customers”.

To determine whether solar-PV properly constitutes a DSM resource in Nova Scotia, we must consider whether solar-PV falls within the definitions of this section. No evidence was presented to suggest that another jurisdiction has the same definition of DSM as Nova Scotia and has found that solar-PV does not form part of DSM.

E1 submits that its authority to carry out solar-PV programs flows from the definition of DSM as set out in subsection (v) of section 79A(b). That subsection includes within the definition of DSM activities, programs or plans relating to the reduction of the amount of electrical energy or capacity that NS Power would otherwise be required to supply to customers. Solar-PV satisfies this definition. It reduces the amount of electrical energy that NS Power would otherwise have to supply to NS Power customers. The definition in section 79A(b)(v) does not require that the activity discussed in that section also reduce the capacity that NS Power would otherwise have to supply to NS Power customers. These two considerations are explored in more detail below.

10.3.1.1 REDUCTION IN THE AMOUNT OF ELECTRICITY SUPPLIED BY NS POWER TO CUSTOMERS

With respect to the first consideration, the solar-PV program will reduce the amount of electricity that NS Power would otherwise be required to supply to customers. The solar-PV program will be serving Mi’kmaw community members. These are customers whom NS Power would be required to supply with electricity in the normal course. The solar-PV measures will reduce the amount of electrical energy that these customers would otherwise draw on from NS Power.

As stated by the CA’s expert, Mr. Love, “[t]he electricity generated from the PV systems will offset some of the needs for new generation supply”.¹⁷⁰ Even the expert of NS Power, who opposes the inclusion of solar-

¹⁷⁰ E-21, CA Evidence, p 51, lines 15–16.

PV in the Preferred Plan, agrees that the solar-PV program will reduce the amount of electricity that NS Power would otherwise be required to supply customers. She states:¹⁷¹

[...] we understand E1's position to be that behind-the-meter Solar PV can reduce the amount of electrical energy NS Power would otherwise be required to supply to participating customers. That argument has a textual basis in the statutory DSM definition, which includes "activities, programs, or plans relating to the delivery of a reduction in the amount of electrical energy or capacity that Nova Scotia Power Incorporated would otherwise be required to supply". We do not dismiss that argument. Customer-owned Solar PV can reduce a participating customer's annual net energy purchases from the utility, and E1's proposed program is targeted, modest in scale, and designed to provide benefits to Mi'kmaw communities, which may also help further the Province's legislative objectives by providing equitable access and benefits for low-income and for marginalized Nova Scotians.

Ms. Sergici has no issue with E1's interpretation of the first consideration. There is no evidence on the record to suggest that the first consideration cannot be met by solar-PV.

10.3.1.2 REDUCTION IN CAPACITY NOT REQUIRED

With respect to the second consideration under section 79A(b)(v), E1 submits that under that section of *PUA*, and based on the modern approach to statutory interpretation, reduction in the amount of electrical energy supplied to customers is sufficient; demonstrated reduction in capacity is not an additional requirement.

The governing approach is the modern principle of statutory interpretation: the words of a statute must be read "in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament".¹⁷² In practice it asks three questions:

¹⁷¹ E-22, NS Power Evidence, Attachment 1, p 32–33. (PDF p 33–34).

¹⁷² *Rizzo & Rizzo Shoes Ltd (Re)*, [1998] 1 SCR 27 at para 21; *Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65 at para 117), an approach applied by this Board in *Nova Scotia Power Incorporated (Re)*, 2025 NSEB 8 and by the Nova Scotia Court of Appeal in *Sparks v Holland*, 2019 NSCA 3 at paras 28-29.

1 what the legislative text means, what the Legislature intended, and what consequences follow from a
2 proposed interpretation. Applying that approach to the *PUA*, E1 submits that solar-PV constitutes DSM.

3
4 Section 79A(b)(v) includes “a reduction in the amount of electrical energy or capacity” as one of the
5 definitions of DSM. It uses the word “or”, not “and”. Using the modern approach to statutory
6 interpretation, based on the plain meaning of the text, it is clear that reduction of one or the other
7 (amount *or* capacity), not both, is required for a resource to be considered DSM under section 79A(b)(v).
8 This plain reading of the text means that Ms. Sergici’s position is untenable under a legal analysis. Her
9 position as stated in her evidence is set out below, and follows the statements cited in the paragraphs
10 above:¹⁷³

11
12 *However, even if customer-owned Solar PV can be read to fit within the statutory language*
13 *as an energy-reduction measure, it does not cleanly fit within the core purpose of DSM as*
14 *a resource for reducing or managing customer demand. While customer-owned Solar PV*
15 *may reduce the customer’s reliance on utility-provided energy (kWh), it does not*
16 *necessarily reduce “...the capacity that Nova Scotia Power Incorporated would otherwise*
17 *be required to supply” as articulated in the statute, when NS Power’s system is most*
18 *constrained. This distinction matters because Nova Scotia’s planning need is not limited to*
19 *annual energy. The record shows that NS Power is facing material winter peak and*
20 *resource adequacy challenges, and that the system value of DSM increasingly depends on*
21 *whether a resource reduces firm capacity needs during winter peak and reliability-risk*
22 *hours.*

23
24 Ms. Sergici’s reading of the legislative text misses the critical use of the word “or”. It considers that a
25 reduction in capacity is required in all circumstances for purpose of applying section 79A(b)(v). If that were
26 the case, then the legislature should have chosen the word “and” to demonstrate that a reduction in
27 capacity was required for DSM under section 79A(b)(v). The legislature did not make that choice.

28
29 Furthermore, Ms. Sergici’s position is focused on the need for DSM to meet winter peak and reliability-risk
30 hours. E1 agrees that activities that reduce winter peak constitute DSM. In fact, subsection 79A(b)(iii)

¹⁷³ E-22, NS Power Evidence, Attachment 1, p 33 (PDF p34).

specifically addresses those situations: “the alteration of the consumption pattern of an end user of electricity that has the effect of reducing demand during Nova Scotia Power Incorporated’s periods of highest demand”. However, E1 disagrees that these peak needs form part of an analysis under section 79A(b)(v).

The presumption against tautology requires courts, to the extent possible, to “avoid adopting interpretations that render any portion of a statute meaningless or redundant” (*Placer Dome Canada Ltd v Ontario (Minister of Finance)*, 2006 SCC 20). On Ms. Sergici’s reading, subsection (v) would capture the same situation as subsection (iii) - reducing demand during NS Power’s periods of highest demand - because it ignores the word “or” and treats a capacity reduction as always required, rendering the two subsections redundant. Subsection (v) must instead be read on its plain terms: either a reduction in the amount of electrical energy or a reduction in capacity can constitute DSM.

Finally, Ms. Sergici’s position rests on the understanding that “the core purpose of DSM [is] for reducing or managing customer demand.” No evidence or legislative basis supports that as a singular goal, and the wording of the legislation governs what constitutes DSM. Indeed, the definition includes activities that do not serve that singular goal - for example, subsection (iv) includes “strategic electrification of energy end uses currently powered by fossil fuels in a manner that reduces overall greenhouse gas emissions and electricity costs.” SE, strongly supported by NS Power, does not have the singular goal of reducing or managing demand. There is no reason to re-write the legislated definitions of DSM (including subsection (v)) to impose that singular goal. Therefore, E1 submits that the situation outlined in section 79A(b)(v) is met by solar-PV.

10.3.2 BEST INTERESTS OF RATEPAYERS

Once it is determined that a DSM resource falls within E1’s legislated mandate under the *PUA*, the question before the Board is whether inclusion of that DSM resource, as set out in the DSM Plan, is in the best interests of NS Power ratepayers, as per s. 79L(4):

The Energy Board shall approve an application pursuant to this Section if, in addition to any other matters considered appropriate by the Energy Board, it is satisfied that the application, including the proposed demand-side management that is the subject of the

1 *application, is in the best interests of Nova Scotia Power Incorporated's customers and*
2 *satisfies the requirements in Section 79I.*

3
4 E1 requests that the solar-PV program be approved as presented in the Preferred Plan, as it is in the best
5 interests of ratepayers, given it is a modest offering that is cost-effective and serves an equity-seeking
6 customer group.

8 10.3.2.1 COST-EFFECTIVE

9 The solar-PV program offering is cost-effective, with a PAC result of 1.1.¹⁷⁴ This means that for every dollar
10 spent on the solar-PV program, \$1.10 of system benefits are gained.

12 10.3.2.2 COSTS INCLUDED IN THE COST-EFFECTIVENESS ANALYSIS

13 In responding to questions from the Board, Ms. Sergici suggested that, to the extent net-metering-related
14 costs are properly characterized as utility costs that are not shifted to other customers, their inclusion in
15 the cost-effectiveness test could affect the result - though she acknowledged the program is currently cost-
16 effective, with a PAC result of 1.1.¹⁷⁵

17
18 Dr. Sergici appears to be distinguishing between:

- 19 • lost revenues associated with net metering, which generally represent transfers between
20 customer classes and are not included in cost-effectiveness testing; and
- 21 • utility-incurred costs that increase revenue requirements, which, if attributable to the program,
22 would appropriately be reflected in a cost-effectiveness test.

23
24 E1 agrees with this distinction. However, E1 disagrees with Dr. Sergici's suggestion that there may be
25 material utility costs associated with the solar-PV program that are not already reflected in the cost-
26 effectiveness analysis and that could render the program not cost-effective.

27
28 Dr. Sergici has not identified any specific utility costs attributable to the program that are currently
29 excluded from the analysis, nor has she provided evidence that such costs exist or attempted to quantify

¹⁷⁴ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Evidence, p 58, Table 9.

¹⁷⁵ M12780, NSEB Hearing Transcript, August 5, 2026, Sergici, p 673 (PDF p 303), line 10–p 674 (PDF p 304), line 15.

1 their magnitude. In the absence of such evidence, there is no basis to conclude that additional utility costs
2 would materially affect the program's cost-effectiveness or change the finding that the program is cost-
3 effective.

4
5 Further, the design of Nova Scotia's net metering framework limits the potential for utility-incurred costs
6 associated with excess generation. Section 7(4) of the *Electricity Act*,¹⁷⁶ which governs new net metering
7 projects, states:

8
9 *Nova Scotia Power shall purchase electricity under subsection (3) up to a maximum of the*
10 *customer's total usage per calendar year at a rate equivalent to the rate paid by the*
11 *customer, but is not required to compensate a customer for electricity generated by the*
12 *customer in excess of the customer's total consumption in a calendar year.*

13
14 Net-metered systems are therefore restricted to serving a customer's annual electricity requirements, with
15 any unused bill credits forfeited at annual settlement rather than paid out. This limits one potential source
16 of utility cost - ongoing payment obligations for generation in excess of a customer's annual consumption.
17 E1 acknowledges that s. 7(4) does not, on its own, resolve every cost-allocation question Dr. Sergici raises,
18 including the treatment of retail-rate credits, embedded network costs, program administration, or non-
19 participant impacts. E1 notes, however, that some of the concerns raised relate to lost revenues rather
20 than the creation of new utility costs. E1 addresses the issue of lost revenues separately in Section
21 10.3.2.4. However, Dr. Sergici did not identify or quantify any specific utility cost of that kind attributable
22 to the program, and the program's PAC result remains 1.1. Therefore, on the record, there is no evidentiary
23 basis to conclude that the program gives rise to material utility costs not already reflected in the cost-
24 effectiveness analysis.

25 26 10.3.2.3 TIMING OF SOLAR GENERATION

27 E1 also wishes to clarify that the timing of solar generation is reflected in the PAC test analysis. The
28 following question was asked by the Board and answered by E1:¹⁷⁷

¹⁷⁶ *Electricity Act*, SNS 2004, c 25. [Electricity Act](#)

¹⁷⁷ M12780, NSEB Hearing Transcript, August 5, 2026, p 698, lines 9–18.

1 *Q. So in my understanding of the way things actually work is customers will produce more*
2 *than they need at certain points of time in the middle of a nice sunny day like today and*
3 *may -- may effectively take -- notionally take that back from Nova Scotia Power in the*
4 *middle of the winter. The avoided costs at those particular times are different. Is that*
5 *difference accounted for in any way in the PAC test results?*

6 *A. (Pereira) No, it wouldn't be.*
7

8 E1 submits that this exchange should be read in the context of the evidence already before the Board,
9 which establishes that the timing of solar generation is reflected in the PAC test analysis.¹⁷⁸ The timing of
10 net-metering credits is properly considered within lost revenues, discussed in Section 10.3.2.4. As set out
11 in E1's filed evidence, avoided energy costs are applied based on when generation occurs; NS Power
12 provides avoided energy costs to E1 in four time blocks: winter on-peak, winter off-peak, summer on-peak,
13 and summer off-peak. While a net-metering customer may generate excess in summer and apply credits
14 in winter, the PAC test values the generation at the time it is produced rather than when the credits are
15 used. Mr. Pereira's answer is properly understood as responding to the narrower question of whether the
16 PAC test results reflect the timing of when a net-metering credit is applied; it does not displace the
17 modelling assumptions in the evidence. On that evidence, the PAC test analysis does not distinguish
18 between solar generation that offsets customer consumption behind-the-meter and generation that is
19 exported to the grid; in either case, the effect is a reduction in the amount of energy that NS Power must
20 supply. There is no evidence on the record supporting different energy avoided costs for exported
21 generation and behind-the-meter generation, and avoided capacity, transmission, and distribution
22 benefits are assumed to be zero for solar-PV measures.
23

24 10.3.2.4 LOST REVENUE

25 Lost revenues are a separate issue from avoided costs. Reduced electricity purchases by solar-PV
26 customers may lower NS Power sale volumes, but this does not change NS Power's revenue requirement
27 and therefore is not included in the PAC test. The approved PAC framework appropriately evaluates
28 changes in utility revenue requirements rather than changes in sales.

¹⁷⁸ Exhibit E-1-(iv), E1 2027–2031 DSM Resource Plan Application, Appendix A – Attachment 1 – 2027-2031 Modelling Assumptions, Tab: PAC Assumptions.

Potential rate impacts associated with lost revenues (i.e., cost reallocation) are assessed through the Rate and Bill Impact Analysis (RBIA), which considers avoided costs, lost revenues, and program cost recovery. E1 completed a RBIA for the Preferred Plan, including separate solar-PV results, provided in the table below. Lost revenues created by exports and behind-the-meter generation are treated the same in the RBIA, because they are both compensated at the customer's retail rate.

The RBIA found the following results for the Preferred Plan Solar-PV Resource: ¹⁷⁹

	Residential	Small General	General	Large General	Small Industrial	Medium Industrial	Large Industrial	Municipal
Rate Impacts	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Customer Bill Impacts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Participant Bill Impacts	-66.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Non-Participant Bill Impacts	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

These results demonstrate the significant bill savings solar-PV participants will benefit from, and that impacts to non-participants are minimal. This includes any impacts of cost reallocation due to lost revenues from solar-PV customers.

10.3.3 ENERGY AND REGULATORY BOARDS ACT

The solar-PV program is also justified as being appropriate and in the best interests of rate payers in light of section 6(2) of *ERBA*, as set out in Section 2.1.2. The *ERBA* considerations are appropriate for the Board to take into account when approving a DSM Plan. In fact, the Board has noted that even where a program or measure is not cost-effective (which, as outlined below, is not the case for solar-PV), these factors listed in section 6(2) of *ERBA* may still support inclusion of a program or measure in a DSM Plan, so long as the plan's portfolio is cost effective.¹⁸⁰

E1 submits that the section 6(2) *ERBA* factors weigh in favour of including the solar-PV program in the 2027–2031 DSM Plan. First, by encouraging consumer's production of their own energy, the solar-PV

¹⁷⁹ Exhibit E-1-(iv), E1 2027–2031 DSM Resource Plan Application, Appendix B – Attachment 1 – RBIA Summary Results for the Preferred Plan Solar PV resource (average impacts over 2027–2046).

¹⁸⁰ M12282, E1 Application for approval of a New Benefit-Cost Analysis Test for Evaluating Demand Side Management Plans, NSEB Decision, December 10, 2025, paras 168 & 221.

1 program supports competition and innovation in the provision of energy resources in the Province, as
2 considered by section 6(2)(a). Second, by providing a cost-effective source of energy which will reduce
3 customer electricity bills, the solar program supports the provision of an economical energy supply to
4 Mi'kmaw communities, as considered by section 6(2)(c). Third, the solar-PV program will support
5 sustainable development and sustainable prosperity for Mi'kmaw communities in Nova Scotia, as
6 considered by section 6(2)(d). As noted by the Assembly and KMKNO, "[s]olar generation helps keep more
7 energy dollars within our communities while improving long-term energy security. By combining solar
8 installations with conservation and efficiency initiatives, we can reduce our dependence on external
9 energy sources, create local employment and training opportunities, and advance our environmental
10 stewardship responsibilities for future generations."¹⁸¹

11
12 E1 submits that the program aligns well with the goals of section 6(2) which, even if the program were not
13 cost-effective (which it is), would justify inclusion of the program in the portfolio.

14 15 10.4 CONCLUSION

16 As a threshold matter, E1 has the legislated mandate to carry out solar-PV activities as part of DSM,
17 pursuant to section 79A(b) of the *PUA*. Falling within the definition of DSM does not, on its own, entitle
18 the program to approval; the Plan must also satisfy the requirements of s. 79I and, ultimately, the best-
19 interests test in s. 79L(4). E1 submits that these standards are met: the evidence shows that the investment
20 in solar-PV is in the best interests of ratepayers, as the program is cost-effective, aligns with the balanced
21 plan principles (including the provision of services to an equity-seeking group), and aligns with the
22 considerations outlined in section 6(2) of ERBA. Taken together, these factors weigh in favour of including
23 the solar-PV program in the DSM Plan.

24 25 11. STRATEGIC ELECTRIFICATION

26 11.1 INTRODUCTION

27 There is broad consensus on the record before the Board that SE can play an important role in Nova Scotia's
28 energy transition, a role that E1 recognizes.¹⁸² E1 did not exclude SE in the proposed 2027–2031 DSM Plan
29 as a policy matter. It excluded SE because the measures it modelled failed to meet the statutory

¹⁸¹ E-43, ANSMC and KMKNO Opening Statement, p 3.

¹⁸² Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Evidence, p 34, lines 21– 22.

requirements for SE, as clarified by the Board in M12282. As described in section 79A(b)(iv) strategic electrification must reduce overall GHG emissions and electricity costs. E1 evaluated numerous electrification measures and applied the framework established by the *PUA* and the NSEB. E1’s position is that, because those measures did not meet the statutory requirements, it was not authorized to include them in its DSM portfolio.

The question before the Board in this matter is not whether SE is beneficial. The dispute is whether SE measures that do not satisfy the *PUA* may still be included in the DSM portfolio.

11.2 STAKEHOLDER PERSPECTIVES

There has been no evidence put before the Board in this matter identifying any SE measures that satisfied the current legislated requirements.

The SBA supports E1’s approach to SE in the proposed 2027–2031 DSM Plan (discussed in greater detail in the section that follows).¹⁸³

While very supportive of SE, the EAC recognizes there may be legislative challenges for its inclusion in the DSM plan.¹⁸⁴

E1’s treatment of SE is confirmed by NS Power’s own expert. Ms. Sergici’s evidence supports finding that E1 properly applied the modified PAC framework: she acknowledges that the Board’s use of the modified PAC test for SE is “driven by statutory requirements,”¹⁸⁵ and that it is “highly unlikely”¹⁸⁶ - indeed “exceedingly difficult”¹⁸⁷ - for a load-adding SE program to pass that test.¹⁸⁸ The NS Power evidence likewise highlights that the current regulatory framework creates significant barriers to the inclusion of SE and concedes that even if E1 takes every step recommended, “it is highly unlikely that E1 will be able to develop a robust strategic electrification portfolio that will be cost-effective under the modified PAC.”¹⁸⁹

¹⁸³ E-47, SBA Opening Statement, p 2, lines 13–19.

¹⁸⁴ E-51, EAC Opening Statement, p 2–3.

¹⁸⁵ E-32, NS Power (CA) RIR 1 to 10: CA IR-2, p 1, line 26.

¹⁸⁶ E-22, NS Power Evidence, Attachment 1, p 25.

¹⁸⁷ E-32, NS Power (CA) RIR 1 to 10: CA IR-9, p 1, line 25.

¹⁸⁸ *Ibid.*, lines 25–28.; E-33, NS Power (IG) RIR 1 to 15: IG IR-14; E-22, NS Power Evidence, p 22.

¹⁸⁹ E-22, NS Power Evidence, p 25.

Under the existing legislative requirements E1's exclusion of SE as a resource is compelled by the statutory framework, it is not a planning failure.

Ms. Napoleon has suggested that it would be reasonable for E1 to pursue an amount of electrification in the 2027–2031 Plan that does not increase costs at the portfolio level by including the SE from its Round 2 modeling, particularly as the Round 2 investments in SE are small relative to the rest of the portfolio with the modified PAC for the portfolio remaining substantially higher than 1.0.¹⁹⁰

11.3 E1'S APPROACH

E1 recognizes that strategic electrification can be beneficial to both Nova Scotians and Nova Scotia's energy goals. This is reflected in the work E1 did to explore its inclusion as a resource in the 2027–2031 DSM Plan, including modelling numerous electrification opportunities and assessing multiple electrification scenarios.¹⁹¹

When E1 applied the Board-approved modified PAC framework, all of the SE scenarios that were explored failed the modified PAC test – demonstrating that SE did not meet the legislative requirement of reducing electricity costs. Based on those results, E1 was unable to include SE in its 2027–2031 DSM Plan.

Nonetheless, E1 acknowledges the potential role for SE in Nova Scotia and has committed to continuing efforts to explore SE through its proposed Innovation Framework, Process and Plan for 2027–2031. E1 has re-emphasized its commitment to SE in its Schedule "A" to its Opening Statement, wherein E1 confirmed that SE may be introduced during the Plan period following Board approval, where innovation activities demonstrate a model that meets the applicable cost-effectiveness and regulatory requirements, and wherein E1 committed to have SE as a standing topic for both the Annual Adjustment Process and the Mid-term Check-in.

¹⁹⁰ E-23, Synapse Evidence, PDF p 24–25.

¹⁹¹ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Evidence, p 35; E-42, E1 Opening Statement, p 2; E-12, E1 (NSEB) RIRs 1-66: NSEB IR-34, PDF p 436–437; E-22, NS Power Evidence, PDF p 22–23, 26–29; E-23, Synapse Evidence, PDF p 19, lines 6–13, p 21–22; E-41, E1 Rebuttal Evidence, PDF p 30, lines 18–27, p 34, lines 5–26.

11.4 LEGAL CONSIDERATIONS

Synapse’s evidence suggests that, despite the modelled SE not passing the modified PAC test, a limited amount of SE could be included within the DSM portfolio so long as the portfolio as a whole remains cost-effective above 1.0. E1 respectfully disagrees. In E1’s submission, the portfolio-level argument does not answer the prior question of whether SE that does not itself reduce electricity costs falls within the definition of DSM. E1’s position on that definitional question, and its response to the portfolio-level argument under s. 79H(2), are set out below.

Before any portfolio-level analysis including SE can be undertaken, the Board must first determine whether E1 even has the legislative authority to carry out SE. It is E1’s interpretation of the law and the Board’s past directive that SE which does not, in and of itself, reduce electricity costs does not fall within the definition of DSM, and so is not something E1 is authorized to supply. E1 acknowledges that Synapse reads the statute differently, and that the point turns on the interaction between the definition of DSM in s. 79A(b)(iv) and the portfolio-level cost-effectiveness assessment in s. 79H(2).

As the Franchise holder, E1 has the exclusive right to supply NS Power with “reasonably available, cost-effective demand-side management for the purpose of this Act”.¹⁹² Demand-side management is defined in section 79A(b) of the *PUA*. Therefore, any activities E1 provides to NS Power for the purposes of the *PUA* must fall within the section 79A(b) definition of DSM. SE is specifically defined in 79A(b) subsection (iv) as follows: “strategic electrification of energy end uses currently powered by fossil fuels in a manner that reduces overall greenhouse gas emissions and electricity costs.”

Based on the modern approach to statutory interpretation (discussed in great detail in the section above on solar-PV), E1 understands that for SE to be considered DSM for the purposes of the *PUA*, SE must both reduce greenhouse gas emissions and, more importantly for this discussion, reduce electricity costs.

Just last December, in its decision on the appropriate DSM cost-effectiveness test, the Board considered the meaning of this subsection. In 2025 NSEB 18 (M12282), the Board made several statements regarding SE that are relevant to the analysis before the Board in this present matter. First, at paragraph 114, the Board confirmed that section 79A(b)(iv) limits SE activities to those which reduce electricity costs:

¹⁹² *PUA*, s 79C(2)(a).

1 *[114] It would be inconsistent to **limit strategic electrification activities to a***
2 ***requirement to reduce electricity costs, as s. 79A(b)(iv) very clearly does,** and then allow*
3 *demand-side management activities under s. 79A(b)(i), (ii), (iii) and (v) aimed at reducing*
4 *a broader range of costs (which may not specifically reduce electricity costs and could*
5 *actually increase them). Rather, it seems much more likely that the explicit reference to*
6 *reducing electricity costs in subclause (iv) recognizes that it is somewhat different in nature*
7 *from the other activities identified in s. 79A(b), and ensures these activities are also aimed*
8 *at the same purpose as the others: reducing electricity costs for customers. [emphasis*
9 *added]*

10
11 Later in its decision, in paragraphs 128 – 129, the Board confirmed that the legislation explicitly requires
12 that SE reduce electricity costs, noting that SE is arguably different in nature from the other DSM activities
13 included in section 79A(b), as it includes an explicit requirement to reduce electricity costs.

14
15 When providing direction to E1 on how it was to assess SE, the Board again confirmed that SE activities
16 must reduce electricity costs for customers:

17
18 *[163] In the absence of an alternative, E1 should follow Mr. Bowman’s recommendation*
19 *for assessing strategic electrification using the PAC test. The Board notes, however, that*
20 *both requirements for strategic electrification must be met. It must reduce GHG emissions*
21 *and electricity costs for customers. However, the Board leaves it open to E1 to propose*
22 *another approach when filing its 2027–2031 DSM Plan for approval, if it addresses the*
23 *statutory requirements for cost-effectiveness for DSM as found by the Board in this*
24 *decision.*

25
26 Notably, this paragraph precedes the section in the decision on the portfolio level assessment (section 4.4
27 of the decision), which was addressed separately by the Board in that matter.

28
29 E1’s analysis proceeds in distinct steps. First, as a matter of definition, s. 79A(b)(iv) requires that SE both
30 reduce GHG emissions and reduce electricity costs before it qualifies as DSM. Second, the Board directed
31 in M12282 that cost-effectiveness for SE be assessed using the modified PAC test. Third, on E1’s evidence,
32 each of the SE scenarios it modelled returned a modified PAC result of approximately 0.7 and therefore

failed that test, meaning the modelled measures did not demonstrably reduce electricity costs. On E1's interpretation, it follows that the modelled SE does not meet the definitional requirement and E1 is not authorized to include it in the Plan. Fourth, and separately, is the portfolio-level question under s. 79H(2): whether SE that does not itself satisfy the definition can nonetheless be carried within a portfolio that remains cost-effective overall. E1's position is that the portfolio-level assessment cannot cure a resource that does not meet the s. 79A(b)(iv) definition, though it recognizes this is the precise point on which Synapse disagrees.

11.5 CONCLUSION

Several stakeholders share E1's view that SE which does not reduce electricity costs to NS Power customers does not fall within the section 79A(b) definition of DSM, and so is not something E1 is authorized to provide. On E1's interpretation, it follows that a portfolio-level cost-effectiveness analysis under s. 79H(2) cannot justify including SE that does not independently meet the definition, because portfolio-level results cannot expand the scope of what qualifies as DSM in the first place. E1 recognizes, however, that Synapse takes a different view and reads the framework as permitting a limited amount of SE to be included while the portfolio remains above 1.0. E1 submits that its interpretation appropriate, but should the Board disagree, E1 welcomes further clarification on the legislation and the Board's past decision.

12. ENABLING STRATEGIES

12.1 INTRODUCTION

Enabling Strategies are a foundational component of E1's DSM portfolio. They support the development, delivery, accessibility and long-term effectiveness of DSM programs by addressing informational, structural and market barriers that incentives or direct program delivery alone cannot resolve, and they provide the research, data, innovation, market-development and regulatory capacity required to operate the Plan and prepare future DSM resources. These activities have supported E1's DSM Plans since 2012, evolving from an early emphasis on public education toward innovation, emerging technologies and market transformation, while their central purpose has remained constant: to enable cost-effective DSM to be identified, developed, accessed and delivered.

For 2027–2031, E1 proposes four Enabling Strategies categories: (1) Education and Outreach; (2) Development and Research; (3) Other Enabling Strategies, including regulatory and DSM planning activities; and (4) Market Transformation.

The proposed investment is measured and responsive to affordability: 9 percent of the total DSM portfolio, or \$29.1 million over five years (\$6.5 million for Education and Outreach, \$7.1 million for Development and Research, \$11.7 million for Other Enabling Strategies and \$3.8 million for Market Transformation).¹⁹³

The annual average of approximately \$5.8 million is down from approximately \$7.0 million approved for 2026, reducing the annual level while preserving the activities required to deliver the Plan.¹⁹⁴

The question is not whether every Enabling Strategies activity independently produces claimed energy savings, but whether the activities are reasonably required to support delivery of the cost-effective DSM portfolio before the Board. The record demonstrates that they are.

12.2 STAKEHOLDER PERSPECTIVES

The evidence reflects broad recognition that education, technical assistance, contractor and partner capacity, research, data, program-development support and sustained market engagement all affect whether customers can identify opportunities, access programs and proceed with projects. The stakeholder record shows little opposition to the role of Enabling Strategies within the DSM portfolio; comments instead focused on research, evaluation, data-driven improvement, future planning and integration, market development and emerging technologies, program design, market capacity, and customer accessibility.

12.3 E1'S PROPOSED APPROACH

E1's approach maintains Enabling Strategies to deliver programs and achieve DSM Plan goals while preparing the organization to deliver responsive, cost-effective and appropriate Plans in the future. The four Enabling Strategies categories serve distinct but complementary purposes.

¹⁹³ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Application, p 89, Table 52.

¹⁹⁴ Ibid., Evidence, p 36, Table 4.

12.3.1 EDUCATION AND OUTREACH

Education and Outreach activities - home shows, partnerships, online content, support for the Efficiency Preferred Partner network, community engagement and energy-management support for Mi'kmaw communities - facilitate participation by addressing barriers incentives alone cannot resolve, since an incentive has limited value if a customer is unaware of a program, cannot identify a qualified contractor, or cannot navigate participation. The Preferred Plan responds to stakeholder feedback by tying these activities to defined measures of success, including program participation, partnership deliverables, an annual awareness score of at least 80 percent, stability or growth in the Efficiency Preferred Partner network, and annual participation by at least 75 percent of partners in training or networking opportunities. Education and Outreach activities are therefore tied to defined objectives and observable outcomes.

12.3.2 DEVELOPMENT AND RESEARCH

Development and Research allow E1 to respond to changes in technologies, markets, customer attitudes, system needs and delivery practices through market research, data and analytics, program harmonization, innovation and pilot development, and Codes and Standards work. This work has both an immediate and a forward-looking function. Research and analytics inform adjustments to programs and delivery during the approved Plan. Innovation activities assess whether emerging measures or delivery models can become cost-effective DSM resources. Program harmonization is intended to improve the customer experience by simplifying processes and requirements across customer touchpoints. The resulting knowledge also informs development of the subsequent DSM Plan.

In response to stakeholder feedback and the Board's direction arising from the 2023–2025 DSM Plan, E1 filed a detailed 2027–2031 Innovation Framework, Process and Plan, identifying five focus areas: DR, demand or load flexibility, market transformation, locational DSM and strategic electrification. Every innovation project must advance one or more defined goals. The Framework also establishes governance and a structured project development process.

12.3.3 OTHER ENABLING STRATEGIES

Other Enabling Strategies consist primarily of regulatory compliance, DSM reporting, DSMAG engagement, responses to Board directives and proceedings, support for system planning with IESO Nova Scotia, and

development of the 2032–2036 DSM Plan. These are not optional overhead; they are the costs of complying with the statutory and regulatory framework under which DSM is planned, approved, monitored and evaluated, and a portion consists of flow-through costs (including Board and stakeholder consultant costs) rather than discretionary E1 expenditures.

12.3.4 MARKET TRANSFORMATION

Market Transformation, previously included within Development and Research in the 2023-2026 DSM Plan, is now its own category under the 2027–2031 DSM Plan for transparency. The proposed \$3.8 million continues the existing heat-pump water-heater pilot, with no new market-transformation technologies proposed, reflecting the Plan’s affordability focus. Market Transformation is appropriate where adoption is constrained by barriers that cannot be overcome efficiently by rebates alone.

The purpose of the heat-pump water heaters pilot is to address non-financial barriers relating to awareness, product availability, contractor knowledge and installation practices, while developing and refining the evaluation methodology required to determine market progress and attributable impacts. The pilot also supports, rather than duplicates, resource-acquisition programs by increasing the effectiveness of rebate programs through improving awareness, supply-chain readiness and contractor capability. The approach therefore has the potential to lower the continuing cost of acquiring savings while sustaining technology adoption.

12.4 ACCOUNTABILITY AND OVERSIGHT

The proposed investment is supported by multiple layers of accountability: Appendix A identifies the investment, activities, objectives and measures of success for each category; the Innovation Framework establishes project-selection criteria, governance and evaluation metrics; E1 will prepare an Annual Innovation Plan; and innovation activities, expenditures and learnings will be reported through E1’s quarterly and annual DSM reports. Schedule A further commits E1 to report on innovation-framework activities, focus areas, expenditures and learnings, and to continue reporting Enabling Strategies allocations by rate class.¹⁹⁵ The Board may also examine these activities through E1’s reporting, the Annual Adjustment Process, the Mid-term Check-in and any further proceeding, so a five-year approval does not insulate them from review.

¹⁹⁵ E-42, E1 Opening Statement, Schedule A, s 6.

12.5 CONCLUSION

E1 has reduced the annual average Enabling Strategies investment relative to 2026, introduced measurable outcomes for Education and Outreach, established a structured Innovation Framework, limited Market Transformation to continuation of the heat-pump water-heater pilot, and committed to enhanced reporting on activities, expenditures, learnings and rate-class allocations. These activities help customers access DSM programs, maintain the contractor, partner and service-provider capacity required for implementation, support regulatory compliance and Board oversight, permit E1 to respond to changing conditions, and generate the evidence needed for future DSM Plans. E1 respectfully submits that the proposed level of Enabling Strategies investment is reasonable, prudent and consistent with both present affordability and long-term ratepayer value, and should be approved as part of the Preferred Plan.

13. UNIT COSTS AND INCENTIVE SETTING

13.1 INTRODUCTION

E1 recognizes that unit costs of energy savings are increasing and submits that these increases are attributable to identifiable structural and market factors.¹⁹⁶ In light of these factors, E1 has taken active steps to manage and contain the costs within this new environment. In particular, E1 has decreased the share of administrative costs, meaning that incentives account for 71% of total costs (a 5% increase from the 2026 DSM Extension).¹⁹⁷ E1 engaged Apex Analytics LLC (“Apex”) to conduct a review of incentive setting best practices from across North America, which confirmed that E1 is a leader in many areas of incentive setting.¹⁹⁸ E1 also engaged Apex to evaluate the reasonableness of E1’s first-year unit cost metrics through a structured jurisdictional comparison.¹⁹⁹ The evaluation concluded that E1’s first-year EE program costs for the 2027–2031 DSM Plan are “reasonable, prudent and consistent with industry norms”.²⁰⁰ Their unit costs are squarely in the middle of the range of comparable jurisdictions.²⁰¹

Furthermore, as set out in Appendix A in the E1 and CA Agreement, E1 has also committed to the Incentive Study, pursuant to which the CA and E1 will undertake primary market research for high-value measures,

¹⁹⁶ Exhibit E-1, E1 2027–2031 DSM Resource Plan Application, Evidence, p 46, line 27–p 47, line 1.

¹⁹⁷ Ibid., p 47, lines 2–6.

¹⁹⁸ E-9, E1 (IG) RIRs 1-29: IG IR-11, Attachment 1, p 1.

¹⁹⁹ Ibid., IG IR-10, Attachment 2.

²⁰⁰ Ibid., IG IR-10, Attachment 2, p 8.

²⁰¹ M12780, NSEB Hearing Transcript, August 4, 2026, p 364, lines 4–8.

1 being measures representing the greatest incentive expenditure or savings potential.²⁰² The results of this
2 study will help confirm whether the incentive levels studied require any adjustments.

3 Based on the significant efforts E1 has undertaken and continues to undertake to reduce unit costs and
4 set appropriate incentives, as well as the analysis provided by Apex, E1 submits that its unit costs and
5 incentives are reasonable and appropriate.
6

7 13.2 STAKEHOLDER PERSPECTIVES

8 The CA, NS Power and Ms. Napoleon expressed concerns related to increasing unit costs and incentive
9 levels.
10

11 The CA's expert, Mr. Love, raises concerns regarding unit costs, savings acquisition costs, and incentive
12 levels. While he recognizes there are reasons for increasing costs, such as due to the loss of low-cost, high-
13 value lighting measures, Mr. Love is not satisfied that E1 has provided sufficient justification for the
14 increases. He proposes various steps E1 could take to ensure it has reduced costs and increased value as
15 much as possible. In particular, Mr. Love suggests E1 do a full, in-depth analysis of its incentive design in
16 order to bring down unit costs.²⁰³ He says that the Apex Analytics review was insufficient because it was
17 not a fresh, ground-up incentive-design study and because the six-jurisdiction scan used by Apex was a
18 narrow evidentiary.²⁰⁴ Mr. Love also recommends that E1 undertake measure-specific primary research
19 for high-value measures to confirm that incentive levels are set at the minimum necessary to secure
20 participation, in order to restrain savings acquisition costs, which research should be used to inform
21 updated incentives no later than January 1, 2028.²⁰⁵
22

23 Specifically with respect to incentive levels for the Centrally Ducted Heat Pump Systems and Mini-Split
24 Heat Pumps measures for the Instant Savings program,²⁰⁶ Mr. Love argues that E1 should not wait until
25 2028 to provide the rebates,²⁰⁷ and he is concerned that the incentives are increasing unnecessarily for

²⁰² E-57, E1 and CA Agreement, Appendix A, s 1.

²⁰³ E-21, CA Evidence, p 32, lines 1–4.

²⁰⁴ Ibid., p 32, line 16 – p 33, line 3.

²⁰⁵ Ibid., p 34, lines 31 – 38.

²⁰⁶ Ibid., p 42, line 17 – p 43, line 9.

²⁰⁷ Ibid., p 42, lines 15 – 17 & p 44, lines 22–24.

1 these measures.²⁰⁸ The CA emphasizes that the issue is not the overall share of spending devoted to
2 incentives, but whether incentive levels have been demonstrated to be no higher than necessary.²⁰⁹
3 After the submission of Mr. Love’s evidence, the CA entered into the Incentive Study agreement with E1.
4

5 NS Power’s expert, Ms. Sergici, also questions whether E1’s explanations for the unit cost increases fully
6 capture the magnitude of those increases. She notes that E1’s first-year EE unit cost is significantly above
7 broader benchmarking results and states that the jurisdictional benchmark relied upon by E1 may be too
8 limited. She suggests that the Board should require stronger benchmarking of E1’s EE unit costs against
9 comparable jurisdictions and programs and require E1 to explain why its lifetime efficiency costs appear
10 materially higher than benchmarked costs in other jurisdictions and identify opportunities to reduce
11 delivery costs.²¹⁰
12

13 Both Mr. Love and Ms. Sergici rely on a 2026 American Council for an Energy -Efficient Economy (“ACEEE”)
14 report that sets out the average lifetime cost of EE in 2024 for 42 of the largest utilities in the United
15 States.²¹¹ They consider this report a more relevant comparator than the Apex report on unit costs.
16

17 The evidence of Ms. Napoleon does not focus on EE unit costs in the same manner as the CA or NS Power.
18 Instead, Ms. Napoleon’s primary concern is for the DR programs, particularly with regards to the cost per
19 kW and delivery economics. The emphasis of her evidence is that program design and delivery costs
20 appear to be limiting cost-effectiveness for the residential DR program component and that program
21 delivery costs and incentive structures should be better aligned with desired DR outcomes. Ms. Napoleon
22 sets out recommendations for how E1 may be able to make program adjustments to reduce costs of the
23 residential DR component.
24

25 On incentives, Ms. Napoleon also highlights the relatively small share of residential DR budgets devoted
26 to participant incentives and contrasts this with other jurisdictions where much larger portions of program

²⁰⁸ Ibid., p 43, lines 19 – 21 & p 45, lines 1–2.

²⁰⁹ E-29, CA (IG) RIR 1 to 13: CA IR-9(a), lines 22 – 24.

²¹⁰ E-22, NS Power Evidence, Attachment 1, p 38.

²¹¹ Ibid., p 10; E-21, CA Evidence, p 30, line 8–p 31, line 8.

budgets are directed to incentives.²¹² She recommends E1 conduct a process evaluation of residential DR delivery and review its procurement approach in order to improve efficiency and reduce delivery costs.²¹³

13.3 E1'S RESPONSE

E1 has responded to specific concerns regarding unit costs and incentives as raised by Mr. Love, Ms. Sergici and Ms. Napoleon in its Rebuttal Evidence. It will not restate those arguments in full here, but refers the Board to E-42.

As the matter was discussed extensively at the hearing, E1 offers final comments on the ACEEE report. E1 submits the Apex report is a far more appropriate comparator for analyzing E1's unit costs: benchmarked apples-to-apples against jurisdictions with similar factors, E1's unit costs are confirmed as reasonable. The ACEEE report covers 42 of the largest U.S. utilities, none selected for comparability to Nova Scotia, and no expert provided evidence that they are appropriate comparators. To the contrary, E1's expert, Mr. Goldman, provided evidence that the ACEEE report is specifically not an appropriate comparator, and none of the jurisdictions he identifies as appropriate comparators (per the Apex report) appear in the ACEEE report.²¹⁴

Of particular concern is the ACEEE report's failure to consider climate factors. Mr. Goldman, for Apex, confirmed to the Board that the major factor in selecting jurisdictions in the Apex report on unit costs was climate - a particularly important factor for unit costs, since regional differences in heating and cooling demand significantly affect achievable savings, especially for HVAC-focused portfolios. Low-cost, high-value measures available in summer-peaking jurisdictions are not a helpful comparator for Nova Scotia, which is not a summer-peaking jurisdiction.

Both Ms. Sergici and Mr. Love suggest that the ACEEE report can be used to provide E1 with inspiration.

Ms. Sergici suggests that it presents costs from other jurisdictions that "should be definitely something that they [E1] could aspire to get closer to".²¹⁵ In questions from the Board, Mr. Love suggested that using

²¹² E-23, Synapse Evidence, p 39, lines 12–16.

²¹³ Ibid., p 39, lines 19–25.

²¹⁴ E-41, E1 Rebuttal Evidence, Appendix A, Rebuttal Testimony of Apex Analytics, p 3–4.

²¹⁵ M12780, NSEB Hearing Transcript, August 5, 2026, p 671, lines 12–13.

1 a broad comparator allows to find jurisdictions who “might be doing things on a larger scale and getting
2 better results, or might be doing a different approach that is achieving better results and could be learned
3 from”.²¹⁶ Neither Ms. Sergici nor Mr. Love, who rely on the ACEEE report, has undertaken a review to
4 confirm that the jurisdictions considered in that report are appropriate comparators for E1.²¹⁷ Therefore,
5 E1 submits that the evidence of Ms. Sergici and Mr. Love is that the ACEEE report provides aspirational
6 goals and high-level inspiration for approaches that E1 can take to DSM which could possibly help reduce
7 unit costs. However, their evidence does not confirm that the ACEEE report is an appropriate measure by
8 which to assess whether E1’s unit costs are appropriate given the particular circumstances faced by Nova
9 Scotia’s electricity system and regulatory context.

10
11 With respect to incentives, E1 submits that the Apex report on incentive setting confirms that E1’s
12 methodology is appropriate and rigorous, and that it has the appropriate policies in place to ensure that
13 incentives be set no higher than necessary. In continuance of its commitment to ensure that incentives
14 are appropriately set, E1 has agreed with the CA to undertake primary market research for high-value
15 measures, being measures representing the greatest incentive expenditure or savings potential, as set out
16 in the terms of the Incentive Study.²¹⁸ E1 also notes that even pursuant to Mr. Love’s evidence, “Incentive-
17 setting is not a problem that must be solved perfectly before any investment proceeds; the appropriate
18 course is to move forward and adjust incentive levels as better information becomes available”.²¹⁹ E1
19 submits that its processes for verifying incentive levels (as set out in the Apex report on incentives) are
20 fulsome and appropriate and that there are mechanisms in place to obtain new information, and adjust
21 incentive levels where new information comes to light.

22 23 13.4 CONCLUSION

24 E1 is keenly aware of increases in unit costs and carefully considers these trends when establishing
25 incentives and managing the portfolio. However, the fact that unit costs are increasing does not
26 automatically confirm that the franchise holder has failed to take appropriate action. The reality of a
27 maturing DSM market is that costs increase.

²¹⁶ M12780, NSEB Hearing Transcript, August 6, 2026, p 839, lines 1–4.

²¹⁷ M12780, NSEB Hearing Transcript, August 5, 2026, p 670, lines 17–19.

²¹⁸ E-57, Agreement between E1 and the CA, Appendix A, Incentive Level Research Study.

²¹⁹ E-29, CA (IG) RIR 1 to 13: CA IR-09(h), lines 7–9.

1 In light of this reality, E1 has taken significant steps to reduce costs where it can, and to continue to seek
2 new pathways for cost-reductions in the future. E1 submits that its approach to the reality of increasing
3 unit costs has been appropriate, as evidenced by Apex's report on unit costs²²⁰ and the significant evidence
4 on the record of the efforts E1 is taking to reduce costs.

5
6 Stakeholders argue unit costs should come down and offer various suggestions, yet no stakeholder
7 provided a definitive pathway ensuring those steps reduce costs. Many suggested actions have already
8 been taken by E1; others E1 has already committed to undertake. E1 recognizes the importance of
9 managing unit costs, has carefully considered stakeholder feedback, and continues to pursue cost-
10 efficiency opportunities where feasible while maintaining program performance and customer outcomes,
11 including through thoughtful incentive design.

13 14. IMPLEMENTATION RECORD AND ACHIEVABILITY

14 14.1 INTRODUCTION

15 The Preferred Plan is achievable, for two main reasons. First, E1 has a demonstrated record of delivering
16 Board-approved DSM Plans and producing verified energy and demand savings, while managing
17 expenditures within approved funding. Second, the 2027–2031 Preferred Plan was deliberately designed
18 around services, programs, delivery channels and market relationships that E1 has successfully
19 implemented, with measured enhancements rather than an abrupt expansion into untested resources.

21 14.2 STAKEHOLDER PERSPECTIVES

22 Stakeholders approached achievability from different perspectives, but the record reflects broad
23 recognition that implementation capacity and demonstrated program performance are relevant
24 considerations in determining the appropriate Plan.

25
26 The central stakeholder debate was not whether E1 possesses DSM delivery expertise, but how that
27 expertise should be applied, how quickly emerging resources should be scaled, and what reporting and
28 approval mechanisms should operate if actual conditions differ from the Plan's assumptions. The areas of
29 disagreement concern whether E1 should pursue a larger portfolio and more aggressive targets (discussed

²²⁰ E-9, E1 (IG) RIRs 1-29; IG IR-10, Attachment 2; E-41, E1 Rebuttal Evidence, Appendix A, Rebuttal Testimony of Apex Analytics.

1 above in Section 4), different resources (discussed above in Section 10 (solar-PV) and Section 11 (SE)), and
2 a different resource mix (discussed in Section 9 (DR)). Those questions should not be confused with
3 whether the Preferred Plan that E1 has proposed is achievable.
4

5 14.3 E1'S IMPLEMENTATION RECORD

6 The long-term record provides evidence of E1's delivery capability: from 2012 through 2025, E1 has
7 consistently achieved Board-approved performance targets within Board-approved investment across
8 multiple successive DSM Plans. The significance is not merely that E1 has operated programs for a long
9 period, but that it has successfully delivered against approved savings and investment levels.
10

11 Most recently, under E1's current approved DSM Plan, E1 has made substantial progress toward all four
12 Board-approved performance targets and projected that it will achieve the 90 percent substantial-
13 compliance threshold for each target by the end of the Plan period. E1 therefore enters the new Plan
14 period with operating programs, established participation channels, an experienced workforce, contractor
15 and service-provider relationships, customer awareness, program data, evaluation results and active
16 regulatory reporting processes. The Preferred Plan also continues and evolves the programs delivered
17 under the current Plan, thereby reducing implementation risk, since customers and delivery partners will
18 not be required to adjust to a wholesale replacement of existing programs at the beginning of the five-
19 year term.
20

21 14.4 PROVEN DELIVERY EXPERIENCE

22 E1 submits that the Preferred Plan is achievable as it is grounded in proven delivery experience, for six
23 reasons. First, the Preferred Plan focuses primarily on services for which E1 has demonstrated
24 implementation experience, carrying forward established program infrastructure and delivery channels
25 while incorporating incremental enhancements informed by prior results and evaluation. Second, the
26 Preferred Plan maintains program diversity and market presence to support deliverability during the five-
27 year term and preserve the capacity required to scale toward future system needs. This is important, since
28 DSM delivery depends on a network of contractors, vendors, retailers, consultants, community partners
29 and service providers.

Third, E1's achievability assessment also rests on its experience managing the full program-delivery cycle, including design, customer acquisition, incentive setting, technical review, contractor engagement, implementation, quality assurance, evaluation, reporting and adjustment. While a model can support decision-making, achievability requires informed judgment about participation, project development, customer decision-making, contractor availability, delivery lead times and operational risk. E1's projections reflect that implementation judgment. Fourth, energy efficiency remains the foundation of the Preferred Plan and the area of E1's most extensive implementation record, containing established customer segments, delivery channels, measures and program relationships. Fifth, the Preferred Plan takes a measured and evidence-based approach to achieve DR goals. The proposed DR target remains within the optimal level identified in NS Power's 2022 IRP; the Preferred Plan moderates DR investment relative to earlier scenarios, applies more conservative ramp-up assumptions, and reflects DSMAG feedback on scale, cost-effectiveness and achievability.

Sixth, and finally, the Preferred Plan includes regular reporting, annual independent evaluation and savings verification, DSMAG engagement, the Annual Adjustment Process and the Mid-term Check-in, which each ensure that the E1 can remain responsive to changing circumstances during the Plan period, by monitoring actual conditions, identifying emerging risks and engaging in timely responses.

14.5 CONCLUSION

The record establishes that the Preferred Plan is achievable. It builds on E1's decade-plus delivery record and projected achievement of all four current-Plan targets (2023–2026), focusing on proven services and established channels while taking a measured approach to newer resources, supported by robust reporting, verification and oversight mechanisms. E1 respectfully submits that the Board should find the Preferred Plan prudent and achievable and approve it as amended by Schedule A.

15. CONCLUSION AND REQUESTED ORDER

The 2027–2031 Preferred DSM Plan having been submitted for approval before the Board is an appropriate and effective plan for providing Nova Scotia with the DSM services outlined in the *PUA*. The Preferred Plan falls within its legal mandate under the *PUA* – including the solar-PV program, and the exclusion of SE that does not reduce electricity costs. The Preferred Plan is strongly cost-effective, with a 2.4 PAC result at the portfolio level. Furthermore, E1 is confident that based on its past experience, the proposed targets are

1 achievable and provide material benefits to Nova Scotia ratepayers. Finally, and importantly for this Plan,
2 being presented at a unique economic moment in time, the Preferred Plan is affordable. Given the current
3 economic circumstances and level of uncertainty faced by Nova Scotian residents and businesses, E1 has
4 placed significant weight on short-term affordability for this plan, which affected the total investment
5 level, while also ensuring that significant energy and financial benefits continue to flow to Nova Scotians
6 throughout the Plan period.

7
8 The Preferred Plan is within E1's mandate, cost-effective, achievable, and affordable – all of which is in
9 best interest of NS Power customers. Therefore, E1 respectfully requests that the Board approve its 2027–
10 2031 DSM Plan as submitted in its Application, and amended by Schedule A to its Opening Statement
11 inclusive of the following performance targets and investment level:

- 12 • 435.4 GWh of cumulative net first year energy savings;
- 13 • 85.0 MW of cumulative net peak demand savings;
- 14 • 14.0 GWh of cumulative net first-year energy savings dedicated low-income and equity program
15 components (Affordable Multifamily Housing, Affordable Single-family Homes, Mi'kmaw Home
16 Energy Efficiency Project, Mi'kmaw New Home Construction)
- 17 • 29.3 MW of available capacity from DR;
- 18 • 1.7 GWh of solar-PV generation; and
- 19 • \$318.75 million.

20
21 In the alternative, should the Board be unable to issue its decision before the commencement of the 2027
22 program year, E1 requests that the Board approve the 2027 investment and associated activities on an
23 interim basis, to permit continuity of DSM program delivery pending the Board's final determination on
24 the 2027–2031 DSM Plan.