

REPLY SUBMISSION OF SOLAR NOVA SCOTIA

IN THE MATTER OF *The Public Utilities Act*, RSNS 1989, c. 380, as amended

- and -

IN THE MATTER OF an Application by EfficiencyOne for approval of the 2027-2031 Demand Side Management Purchase Agreement between EfficiencyOne and Nova Scotia Power Incorporated, and approval of a 2027-2031 Demand Side Management Resource Plan

NSEB Matter M12780 Filed: September 18, 2026

INTRODUCTION

1. Solar Nova Scotia ("SNS") seeks the directions in Part V of its closing submission. SNS is a volunteer-led industry association participating without counsel or retained experts.

As the first five-year DSM plan in Nova Scotia's history, this Plan makes setting the right direction particularly important. Decisions for 2027-2031 will have lasting implications for program costs, innovation and industry development.

SNS identifies two key opportunities for greater value from demand-side resources:

- **Delivery innovation**, including advisory support and integrated delivery.
- **Enabling additional resources**, including strategic electrification and demand response through DSM, as well as batteries, which may need to be addressed outside DSM.

SNS submits that these opportunities warrant fuller consideration before the direction for the next five years is established. SNS asks the Board to require the analyses needed to assess their potential within any budget it approves.

STRATEGIC ELECTRIFICATION

2. EfficiencyOne ("E1"), Nova Scotia Power, East Coast Environmental Law ("ECEL"), the Ecology Action Centre, the Affordable Energy Coalition and Synapse, consultant to Board Counsel, support further analysis of strategic electrification during this Plan. Their views on how to proceed differ. SNS's proposed Direction 2 would turn this broad support into an assessment with a defined scope, deadline and reporting requirement.
3. E1 argues that the scenarios it modelled do not qualify as DSM because they failed its cost-effectiveness tests. E1 did not model electric vehicles and lacked data for hourly analysis. Hourly analysis is particularly critical to assessing strategic electrification costs, which depend on when additional electricity demand occurs. These results do not establish that all strategic electrification options would fail. Direction 2 would require a fuller assessment.
4. Paragraph 168 of the Board's benefit-cost analysis decision in M12282 allows a measure that fails individually to be included, with justification, in a cost-effective portfolio. Direction 1 asks the Board to confirm that this approach applies to strategic electrification. Direction 2 would provide the analysis to assess that justification.

5. SNS adopts ECEL's interpretation of section 79A(b)(iv). The reference to electricity costs restates the purpose of all DSM activities, rather than imposing a stricter test for strategic electrification. ECEL argues against an interpretation that makes electrification impossible in practice. [ECEL Closing, pp. 3-4] Synapse supports some electrification where the portfolio remains cost-effective. E1 "welcomes further clarification" if the Board disagrees with its interpretation. [E1 Closing, pp. 53-56] SNS asks the Board to resolve this question.

UNIT COSTS AND DELIVERY

6. E1 says "the reality of a maturing DSM market is that costs increase." [E1 Closing, p. 64] SNS accepts that low-cost savings are becoming harder to find. But residential unit costs are rising at a compound annual rate of 17 percent. That is not a sustainable trajectory. It makes delivery innovation and additional resources essential areas for assessment. E1 cites incentives' growing share of spending, now 71 percent, as evidence of cost control. [E1 Closing, p. 60] The Affordable Energy Coalition notes that E1 raised incentives to maintain participation after provincial funding ended, increasing unit costs. [AEC Closing, p. 2] A larger rebate does not necessarily help customers who need support identifying and completing projects.
7. SNS submits that advisory support should itself count as a customer incentive. The Onsite Energy Manager service began under Custom Incentives in the 2016-2019 Supply Agreement. E1 confirmed that the provider supporting Strategic Energy Management participants "was previously listed under direct incentives" before being recategorized in this Plan. [E-34, SNS (IG) IR-2(a); E-9, E1 (IG) IR-19(b)] Treating this support as overhead can understate customer services and discourage its use.
8. Energy Managers are a real, working example of delivery innovation and integrated delivery. They are largely unsupported by DSM, yet DSM relies heavily on them for its business-sector results. E1 confirmed that Energy Managers supported 94 percent of Custom Retrofit savings in 2024 and 90 percent in 2025, calling their support "very, very important." The Assembly of Nova Scotia Mi'kmaw Chiefs supports continuing the Roving Energy Manager program. [KMK Closing, p. 2] E1 describes SNS's position as disagreement with prioritizing incentives over expanded advisory support. [E1 Closing, p. 26] This does not address the evidence. SNS asks that this working model be assessed for small businesses and other customers, including delivery through qualified private-sector providers and the Efficiency Preferred Partner network. Directions 7, 8 and 10 would support this work without requiring E1 to hire staff.
9. E1 says no stakeholder provided "a definitive pathway ensuring" lower costs. [E1 Closing, p. 65] SNS is asking E1 to assess credible alternatives, not to guarantee savings before examining them. SNS supports the incentive study agreed with the Consumer Advocate. Its scope should compare advisory support, integrated delivery and cost-sharing with higher rebates alone. Confirming that current incentives are reasonable would not establish whether alternatives could deliver the same savings at lower cost. The Board should require this comparison through the study or Directions 8 and 10.

DEMAND RESPONSE

10. E1 says further residential demand-response spending would be imprudent before the current program is cost-effective. [E1 Closing, p. 33] Integrating efficiency and demand-response delivery offers an alternative worth assessing. SNS asks whether adding demand-response capability when heat pumps, water heaters or vehicle chargers are installed could cost less than retrofitting them later. The current program's results do not answer that question. Delaying the assessment risks missing lower-cost opportunities as equipment is installed. Direction 12 would test this alternative's cost-effectiveness.
11. NS Power identifies smart thermostats and hot-water controls as scalable ways to reduce winter peak demand. [NSP Closing, p. 24] The Industrial Group says SNS's thermostat recommendations "appear worth consideration." [IG Closing, p. 9] E1 says devices installed through efficiency programs "can be leveraged for DR in the future." [E1 Closing, p. 39] Direction 12 would require the comparison by April 1, 2029, alongside the 2028 Annual Progress Report, for the Mid-Term Check-In. It requests no additional funding.

BATTERY COMPENSATION

12. E1 says Synapse's proposed higher battery incentive is impractical because few commercial batteries are installed and none are enrolled. [E1 Closing, p. 37] SNS's Direction 14 concerns the limits of the DSM framework for battery investment. E1 acknowledged that certainty beyond the five-year Plan would help attract capital-intensive resources to demand response. SNS asks the Board to comment that the current DSM framework cannot provide the long-term compensation needed for battery investment and that a solution outside DSM is required.

CONCLUSION

13. SNS submits that E1 has no clear incentive under the current framework to pursue the delivery innovations and additional DSM resources identified above. Leaving them inadequately examined while unit costs escalate is an error the Board should correct. SNS asks the Board to clarify the interpretation governing strategic electrification and require the key analyses of delivery innovation, strategic electrification and demand response, with defined scope and reporting dates. These directions would require E1 to examine the principal opportunities for greater DSM value within any budget the Board approves. SNS also asks the Board to state that a compensation solution outside DSM is needed for batteries. SNS thanks E1, the other parties and the Board for a collaborative proceeding.

Respectfully submitted,
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