



Blackburn Law Inc.

September 28, 2026

VIA EMAIL

Ms. Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax NS B3J 3S3

Dear Ms. Henwood:

Re: M12932 – Nova Scotia Power Inc. – Time-Varying Pricing Pilot Program – 2024/25 (Year Four) and 2025/26 (Year Five) Evaluation Reports

The Small Business Advocate (SBA) has reviewed Nova Scotia Power Incorporated's (NSPI) Time-Varying Pricing Pilot Program – Year Four (2024/25) Evaluation Report, dated June 30, 2026 ("Year 4 Report")¹, and NSPI's Time-Varying Pricing Pilot Program – Year Five (2025/26) Evaluation Report, dated July 31, 2025 which includes the evaluated results for the 2025/26 season April 1, 2025 through March 31, 2026 ("Year 5 Report")². In addition, it has reviewed the responses to Information Requests from itself, the Board and the Consumer Advocate. The SBA appreciates the opportunity to provide the following submissions on the evaluated results in these reports.

The Year 4 Report and the Year 5 Report show significant changes in the evaluated results when compared to previous years for Commercial customers, which are defined in the reports as the Small General and General rate classes³, two of the three rate classes represented by the SBA. These results indicate an improvement in Commercial participants for Year 4 that was not sustained for Year 5, the reason for which NSPI indicates was unavoidable due to the lack of meter functionality during 2025/2026, meaning these improved results for 2024/2025 may not continue going forward and represent a lost opportunity for SBA classes to benefit from TVP programs in the near future.

Year 4 versus Year 5 Results for Commercial Participants

NSPI reported increased Commercial enrollment in Year 4 of 108 businesses versus Year 3's enrollment of 63 businesses, a 71% increase in enrollment (Phase 4 refers to Year 4 of the pilot, April 1, 2024 through March 31, 2025). The results collected from this larger enrollment sample

¹ M12932 Exhibit N-2, NSPI TVP Pilot Program Year Four Evaluation Report dated June 30, 2026, refiled.

² M12932 Exhibit N-3, NSPI TVP Pilot Program Year Five Evaluation Report, dated July 31, 2026.

³ M12932 Exhibit N-2, Year 4 Report, Appendix A, Definitions page 3 of 157, and Year 5 Report, Definitions, Appendix A, page 3 of 35.

combined with an improved regression analysis deployed for the first time for Year 4 results enabled NSPI to determine that Commercial TVP pilot participants achieved significant electricity load reductions during peak periods for TOU and during CPP events in Phase 4. The results for both peak periods for the two TVP Tariff options were found to be statistically significant, as shown in Table 2, which is reproduced below:

Year 4 Report, Table 2: Summary of Load Reduction by Commercial TVP Tariff⁴

TVP Tariff	Absolute Load Reduction (kW)		Relative Load Reduction (%)	
	Morning Peak	Evening Peak	Morning Peak	Evening Peak
Commercial TOU	0.7 kW	0.9 kW	6.4%	8.6%
Commercial CPP	7.9 kW	5.1 kW	11.4%	7.9%
Statistical Significance	✓	✓	✓	✓

Prior to Year 4 (coinciding with Phase 4 of the pilot), the number of participants did not provide sufficient data to be analyzed with the methodology in use at the time to produce statistically significant results. This led the SBA to submit comments asking NSPI to research ways to obtain better results, which they have done and are presented the submitted reports. The SBA also asked NSPI to increase its efforts to enroll more Commercial participants for the TVP pilot program going forward.

Unfortunately, for Year 5 (corresponding to the Phase 5 pilot period April 1, 2025 through March 31, 2026), no comparison can be drawn with the previous Year 4 results in order to provide guidance for improving the TOU pilot program for the small business classes. This is a result of NSPI's application for Board permission to temporarily pause the Time-Of Use (TOU) and Critical Peak Pricing (CPP) Tariffs for the Domestic, Small General, and General rate classes for the 2025/26 Season, made in response to the cybersecurity incident (described in M12273), Consequently, the only data collected for Year 5 is for the 10 participants in the MURB class.⁵

Year 4 Change in Methodology

The SBA appreciates that, in response to its earlier comments provided regarding the TVP pilot program, NSPI was able to deploy a revised evaluation methodology, called the Mixed Effects model for regression analysis, which was able to distinguish the different responses in the data for Commercial customers to the TOU and CPP tariff options that was not available in prior yearly reports. NSPI noted, in response to an Information Request from the SBA that:⁶

The Mixed Effect Model explicitly accounts for differences in individual customer baselines, reducing the influence of this variability on the estimated treatment effect. As a result the model is better able to distinguish the load reduction “signal” from the underlying customer-to-customer “noise”.

⁴ M12932, Exhibit N-2, Year 4 Report, Appendix A, Table 2, page 18 of 157.

⁵ M12932, Exhibit N-3, Year 5 Report, Appendix A, Executive Summary, page 8 of 35, 2nd paragraph.,

⁶ M12932, Exhibit N-6 NSPI (SBA) IR-4(c), page 3 of 3, at lines 6-9.

As a result of using this modeling approach based on the Year 4 data, NSPI was able to hypothesize that small business customers will likely respond to the price signals available under TOU and CPP tariffs, which may lead to bill savings.

With these statistically significant price signal results in hand, the bill impact of participation in the TVP pilot can be assessed, and the results are mixed. Some results show a snapback effect during the evening that muted the benefit of participating in these programs.⁷ However, evidence in the Year 4 Report also suggests that while some participants would experience bill savings overall, for others, especially in the winter period, the bill likely would increase. The SBA respectfully submits that as the range of results extends from a bill savings to a bill increase during the winter as well as for the year, more analysis needs to be done to identify the tariff elements that contribute to this result.

Further, NSPI noted that the results suggest that for both the TOU and the CPP pilots, Commercial participants under the General Tariff are more responsive to price signals, while those under Small General Tariff showed either counterproductive or statistically insignificant responses.⁸

Despite these observations, NSPI's stated that this is not the process in which to consider any improvements to the program or changes to the tariffs. NSPI instead referred to the on-going price innovation process as the best place to consider these issues, but provided no further specifics about where this process is being considered and when they will report to the Board and stakeholders on its conclusions.⁹

Effect on Commercial Customers as a result of the Temporary Pause of the Pilot

The Year 4 Report shows that progress was made, both in number of participants and the results achieved, for commercial participants, but the SBA respectfully submits that further progress may be lost if NSPI does not continue to add participants to the program.¹⁰ Enrollment was paused for Year 5 and existing Commercial (excluding MURB) participants were not being billed under the TVP tariffs so the price signal responses and bill savings cannot be evaluated. Once the tariffs are reinstated, the SBA submits there may be attrition due to existing participants losing interest in potential savings after the pause in the program, so any new enrollments may only replace those who left the pilot rather than grow participation in the next pilot program. This may result in a long term reduction in participation if interested Commercial customers are unable to participate for 2 years.

NSPI has identified that in order to grow the program they need to start earlier in the year and use NSPI's Commercial Advisors to communicate directly with commercial customers to explain the benefits of the Pilot and recruit more participants.¹¹ While the SBA acknowledges NSPI's reasons

⁷ M12932 Exhibit N-2, Year 4 Report, Appendix A, Section 5.1.2, TOU Snapback Effect for Commercial TOU Participants, Table 36, page. 70 of 157, and Section 6.1.2, CPP Snapback Effect for Commercial CPP Participants, Table 45, page. 82 of 157.

⁸ M12932, Exhibit N-2, Year 4 Report, Appendix A, page. 18 of 157, paragraphs 1 and 2.

⁹ M12932, Exhibit N-6, NSPI (SBA) IR-3.a.ii, page 3 of 4, lines 1-8 and IR-3.b.iii, page 3 of 4, lines 25-30.

¹⁰ M12932, Exhibit N-6, NSPI (SBA) IR-6(c), page. 2 of 2, lines 8-20.

¹¹ M12932, Exhibit N-6 NSPI (SBA) IR-1(a), page. 2 of 3, lines 12-15.

for not actively recruiting new commercial participants in the upcoming TVP period¹², the SBA respectfully submits that NSPI should be required to, at a minimum, allow those Commercial participants who are not current participants but want to enroll to do so during the next TVP pilot period.

NSPI has acknowledged that potential refinement of the Year 4 modeling approach, including further segmentation of the Small General and General customer results, may confirm the observed load reductions evaluated in the Year 4 Report for the highest adjusted net load hours.¹³ In order to capitalize on these learnings from Year 4, NSPI needs to reinstate the TVP tariffs as well as the meter functionality for these three classes. This will allow testing of the bill impact savings not realized in Year 4 but that could be realized in the next phase with more participants.

Recommendation

In the Year 4 Report, NSPI found that the evaluated results showed that bill savings appeared to be possible and that the results were promising. Unfortunately, the bill impact results for Commercial participants in both the TOU and the CPP pilot showed evidence of a bill increase, which, while deemed not statistically significant, remains concerning.¹⁴ However, this was offset by clear evidence of load shifting by Commercial participants¹⁵, which meets the dual goals of this program, being to allow participants to shift load away from peak periods while still meeting their energy needs and to contribute to a reduction in peak period energy requirements and possibly infrastructure additions.

As the purpose of investing in pilots is to capitalize on prior learnings, identify responses to price signals, and help achieve savings for customers, based on the results in the Year 4 Report and the Year 5 Report, the SBA respectfully recommends that the Board:

1. Encourage NSPI to reinstate the TVP tariffs, and the associated metering functionality lost due to the cyber event, as soon as possible before the start of the next phase and pilot period;
2. Direct NSPI to provide an update to stakeholders about the activities and interim results of the above referenced on-going price innovation process as soon as possible, within this matter (M12932), or prior to April 1st of 2027;
3. Direct NSPI to allow for interested Commercial participants to join the program during the next TVP pilot program; and
4. Direct NSPI to Report on the number of the Commercial participants in the TVP program who have dropped out to-date as well as those who drop out before the

¹² M12932, Exhibit N-6 NSPI (SBA) IR-6(c), page. 2 of 2, lines 10-20.

¹³ M12932, Exhibit N-6 NSPI (SBA) IR-2(c), page. 2 of 3, lines 22-28.

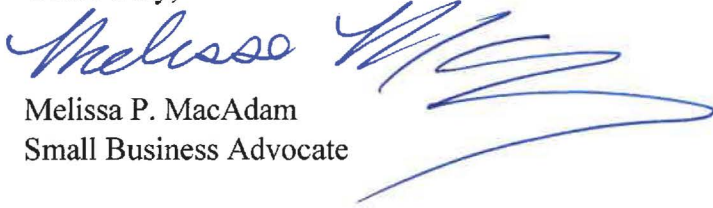
¹⁴ M12932 Exhibit N-2, Year 4 Report, Appendix A, Section 5.2.1, Table 40: Change in Daily Electricity Bill for Commercial TOU Participants, page. 73 of 157, and Section 6.2.1, Table 49: Change in Daily Electricity Bill for Commercial CPP Participants, page. 86 of 157.

¹⁵ M12932 Exhibit N-2, Year 4 Report, Appendix A, Figure 31, page. 67 of 157

next pilot begins and include a survey result with explanations for their decision to leave the pilot.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 28th day of September, 2026.

Yours truly,


Melissa P. MacAdam
Small Business Advocate