DECISION **2025 NSEB 21**
M12249

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF AN APPLICATION by **EFFICIENCYONE** for approval of the 2026 DSM Extension for Demand-Side Management Activities between EfficiencyOne and Nova Scotia Power Inc., and for Approval of the Amendment to the 2023-2025 Demand-Side Management Purchase Agreement between EfficiencyOne and Nova Scotia Power Inc.

BEFORE: Stephen T. McGrath, K.C., Chair
Steven M. Murphy, MBA, P.Eng., Member
Darlene Willcott, LL.B., Member

APPLICANT: **EFFICIENCYONE**
James R. Gogan, Counsel

INTERVENORS: **CONSUMER ADVOCATE**
David J. Roberts, Counsel
Michael Murphy, Counsel

SMALL BUSINESS ADVOCATE
Melissa P. MacAdam, Counsel
Rebekah Powell, Counsel

EASTWARD ENERGY INCORPORATED
Allison Coffin
Angela Costello

INDUSTRIAL GROUP
Nancy G. Rubin, K.C.
Brianne Rudderham, Counsel

KWILMU'KW MAW-KLUSUAQN and
ASSEMBLY OF NOVA SCOTIA MI'KMAWQ CHIEFS
Twila Gaudet
Chief Sidney Peters

ENERGY STORAGE CANADA
Leone Benson-King

NOVA SCOTIA POWER INCORPORATED
Jennifer Ross, Counsel

AFFORDABLE ENERGY COALITION
Peter Duke, Counsel

BERWICK ELECTRIC COMMISSION
RIVERPORT ELECTRIC LIGHT COMMISSION
TOWN OF MAHONE BAY
TOWN OF ANTIGONISH
James MacDuff, Counsel

PORT HAWKESBURY PAPER LP
James MacDuff, Counsel

SOLAR NOVA SCOTIA
Roby Douglas

BOARD COUNSEL: William L. Mahody, K.C.

FINAL SUBMISSIONS: September 25, 2025

DECISION DATE: **December 22, 2025**

DECISION: **The Board approves EfficiencyOne's proposed performance targets and the amendments to its 2023-2025 DSM Supply Agreement with NS Power and provides directions for the development of its five-year DSM Plan for 2027-2031.**

TABLE OF CONTENTS

1.0 INTRODUCTION

[1] On April 30, 2025, EfficiencyOne (E1) applied to the Nova Scotia Energy Board to approve amendments to the Board-approved 2023-2025 DSM Agreement necessary to incorporate legislative changes to the *Public Utilities Act* directing that this DSM Agreement be extended to 2026 with a plan cost of $63,750,000 for the year. As required by the legislation, E1 also seeks an order approving performance targets for the one-year extension.

[2] The Board determined the proceeding would be conducted by way of a paper hearing. As per the Board's Hearing Order, the Notice of Paper Hearing was posted on the Board's website and the Board's social media accounts.

[3] Notices of Intervention were received from several parties. These included: the Consumer Advocate; the Small Business Advocate; several of NS Power's large and medium industrial customers (collectively known as the Industrial Group); the Assembly of Nova Scotia Mi'kmaw Chiefs and the Kwilmu'kw Maw-klusuaqn Negotiation Office; the Affordable Energy Coalition; the Berwick Electric Commission, the Riverport Electric Light Commission, the Town of Mahone Bay, and the Town of Antigonish; Eastward Energy; Energy Storage Canada; Solar Nova Scotia; Port Hawkesbury Paper LP; and NS Power. On behalf of Board Counsel, Synapse Energy Economics, Inc. (Synapse) also filed evidence in this matter and a Savings Verification Review of E1's 2024 Evaluation Results was filed by H. Gil Peach & Associates.

[4] The Board approves E1's proposed performance targets for the 2026 DSM year and the amendments to its 2023-2025 DSM Supply Agreement with NS Power to incorporate the legislative changes and the approved 2026 targets. The Board also

provides directions for E1 about the development and application of its five-year DSM Plan for 2027-2031.

2.0 BACKGROUND

[5] On November 8, 2022, the Nova Scotia Utility and Review Board issued an Order in M10473 approving the 2023-2025 DSM Plan. It also approved the corresponding 2023-2025 DSM Agreement between E1 and NS Power, the terms of which extended to the end of 2025.

[6] On March 26, 2025, amendments to the *Public Utilities Act*, RSNS 1989, c 380, came into effect. The amendments extended the term of the existing 2023-2025 DSM Plan by one additional year to December 31, 2026, extended the term of the 2023-2025 DSM Agreement by one year to create a new expiry date of December 31, 2026, and prescribed the amount of demand-side management investment for 2026 at $63,750,000.

3.0 2026 DSM EXTENSION APPLICATION

[7] E1 seeks approval to invest the legislated $63,750,000 to achieve the following targets for 2026 under the four categories that were approved for the 2023-2025 DSM Plan:

a) Incremental annual net energy savings: 116.0 GWh
b) Incremental annual net demand savings: 18.9 MW
c) Total available capacity from demand response: 16.3 MW
d) Incremental annual net energy savings from dedicated low-income and equity programs: 4.0 GWh

[8] E1 takes the position that because the term of the 2023-2025 DSM Plan has been statutorily extended by an additional year, the Board approved 2023–2025 DSM Plan performance targets must be revised to establish targets for the extended 2023-2026 term. This results in the following revised performance targets for the extended 2023-2026 DSM period:

- Cumulative Annual Net Energy Savings: 528.7 GWh
- Cumulative Annual Net Peak Demand Savings: 97.7 MW
- Available Capacity: 16.3 MW
- Cumulative Annual Net Energy Savings applicable to dedicated low-income and equity programs: 19.8 GWh

[9] The investment amount of $63,750,000 brings the total investment over all four years, from 2023-2026, to $236.8 million.

[10] E1 states that for the 2026 DSM Extension, it used the same guiding principles as the approved 2023-2025 DSM Plan, which included a focus on transparency, accessibility and equity. E1 states that the design objectives used in developing the 2026 DSM Extension are consistent with those used in developing the 2023-2025 DSM Plan. These include:

- investment in low-income and equity: 15% to 20% of total energy efficiency portfolio investment;
- investment split: approximately 50% Residential and 50% BNI programs; and
- energy savings split: approximately 40% Residential and 60% BNI programs

[Exhibit E-1, Appendix A, pp. 9-10]

[11] E1 engaged Guidehouse to provide its "ProCESS™ short-term DSM planning tool for modelling the 2026 energy efficiency portfolio". Similarly, E1 worked with Guidehouse to complete demand response modelling using Guidehouse's DRS model. Further, in developing the 2026 DSM Extension, E1 engaged the Demand-side

Management Advisory Group (DSMAG) through one-on-one meetings with some DSMAG members in March and April 2025 and a DSMAG technical briefing on April 22, 2025.

[12] The 2026 DSM Extension portfolio consists of residential and business, non-profit and institutional (BNI) energy efficiency programs, and a demand response program. Table 5 breaks down the 2026 DSM Extension Investment, Savings and Cost Effectiveness Results for residential and BNI energy efficiency and demand response programs.

Table 5: 2026 Program Savings and Investment

2026	Investment[a] ($ million)	Lifetime Benefits[b] ($ million)	First Year Energy Savings (GWh)	Lifetime Energy Savings[c] (GWh)	Peak EE Demand Savings (MW)	Available Capacity (MW)	Total Resource Cost Test (TRC)[d]	Program Administrator Cost Test (PAC)[e]
Residential Energy Efficiency (EE) Programs								
Efficient Product Rebates	2.5	5.1	4.8	47	0.5	-	1.0	2.0
Instant Savings	*2.5*	*5.1*	*4.8*	*47*	*0.5*		*1.0*	*2.0*
Existing Residential	23.0	30.6	35.2	277	4.3	-	0.9	1.3
Affordable Multi-Family Housing	*1.8*	*2.0*	*1.0*	*17*	*0.5*		*0.6*	*1.1*
Affordable Single-Family Homes	*7.7*	*5.9*	*2.7*	*48*	*1.4*		*0.8*	*0.8*
Efficient Product Installation	*5.3*	*10.8*	*10.5*	*110*	*0.6*		*2.0*	*2.0*
Green Heat	*0.0*	*0.0*	*0.0*	*0*	*0.0*		*n/a*	*n/a*
Home Energy Assessment	*5.0*	*8.7*	*3.8*	*78*	*1.7*		*0.6*	*1.7*
Mi'kmaw Home Energy Efficiency Project	*1.1*	*0.9*	*0.4*	*7*	*0.2*		*0.8*	*0.8*
Residential Behaviour	*2.1*	*2.3*	*17.0*	*17*	*0.0*		*1.1*	*1.1*
Residential Low-Income & Equity[f]	*12.8*	*13.1*	*10.3*	*115*	*2.3*		*0.9*	*1.0*
Residential EE Programs Subtotal	25.5	35.7	40.0	324	4.9	-	0.9	1.4
Business, Non-Profit & Institutional (BNI) Energy Efficiency (EE) Programs								
Efficient Product Rebates	8.1	44.9	31.9	486	5.2	-	3.4	5.5
Business Energy Rebates	*8.1*	*44.9*	*31.9*	*486*	*5.2*		*3.4*	*5.5*
Custom Incentives	10.8	44.5	38.0	417	7.4	-	2.8	4.1
Custom	*9.8*	*41.7*	*34.0*	*395*	*7.0*		*2.7*	*4.2*
Strategic Energy Management	*0.9*	*2.8*	*4.0*	*22*	*0.4*		*5.4*	*3.0*
Direct Installation	5.8	9.6	6.1	95	1.5	-	1.3	1.7
Small Business Energy Solutions	*5.8*	*9.6*	*6.1*	*95*	*1.5*		*1.3*	*1.7*
BNI Low-Income & Equity[f]	*0.1*	*0.4*	*0.2*	*4*	*0.0*		*2.4*	*3.5*
BNI EE Programs Subtotal	24.7	99.0	76.0	997	14.0	-	2.7	4.0
Total EE Programs	50.2	134.7	116.0	1,322	18.9	-	1.8	2.7
Enabling Strategies (ES)								
Education and Outreach	1.6							
Development and Research	2.4							
Other Enabling Strategies	3.0							
Enabling Strategies Subtotal (ES)	7.0							
EE Portfolio Total (EE + ES)	57.2	134.7	116.0	1,322	18.9	-	1.6	2.4
Demand Response (DR) Program								
Residential Demand Response	4.0					4.7	0.3	0.3
BNI Demand Response	2.6					11.6	1.7	0.9
DR Program Total	6.5	3.2				16.3	0.7	0.5
DSM Portfolio Total (EE + ES + DR)	63.75	137.9	116.0	1,322	18.9	16.3	1.6	2.2

Currency is expressed in 2026 dollars. Columns may not add correctly, due to rounding.
Avoided costs of both energy and capacity were based on NS Power's Evergreen IRP and avoided costs of transmission and distribution were provided by NS Power, both provided to the DSMAG on August 23, 2024. Avoided costs of carbon are embedded in the avoided costs of energy that NS Power calculated from the Evergreen IRP. Therefore, in contrast to the 2023-2025 Plan, E1 has not developed a separate utility stream of avoided costs of carbon.
Cost-effectiveness ratios in the total row are calculated using 2026 present values of each year's costs and lifetime benefits.
[a] Investment for DR includes E1's required investment for the 2026 Extension. In order for DR benefits to be realized, NS Power collaboration and investment is required.
[b] Lifetime benefits for EE are expressed as the net present value of the avoided costs, including energy, capacity, transmission, and distribution over the life of the program measures, using utility WACC. For DR, lifetime benefits are expressed as the avoided costs, including capacity, transmission, and distribution, resulting from operating DR in 2023-2026 (four years of benefits).
[c] Based on values of program Weighted Average Measure Lives, which have been derived from the 2023 and 2024 Evaluation process.
[d] TRC is a benefit/cost ratio comparing lifetime benefits to the sum of E1's and participants' costs. For DR, a 10-year program life is used to calculate benefits/costs.
[e] PAC is a benefit/cost ratio comparing lifetime benefits to E1's costs. For DR, a 10-year program life is used to calculate benefits/costs.
[f] Reflects planned participation by low-income & equity customers. Numbers are a subset of Existing Residential, BNI Efficient Product Rebates, Custom Incentives, and Direct Installation.

[Exhibit E-1, Appendix A, p.21]

[13] E1 states that marketing for the 2026 DSM Plan will align with the approved 2023-2025 DSM Plan. The 2026 marketing strategies will also be data-driven, which will provide insights into marketing efforts, customer behaviour and overall performance. E1 said this will allow it to continuously optimize its marketing tactics, messaging, media and campaign strategies for current and future campaigns. There are no new programs contemplated for the 2026 DSM Extension. There are some modifications to existing programs, and some program retirements.

[14] The residential energy efficiency programs include:

- Residential Efficient Product Rebates
- Instant Savings
- Existing Residential
- Affordable Multi-Family Housing and Non-Profit Organizations
- Affordable Single-Family Homes
- Efficient Product Installation
- Home Energy Assessment
- Mi'kmaw Home Energy Efficiency Project
- Residential Behaviour

[15] The BNI energy efficiency programs include:

- Efficient Product Rebates
- Business Energy Rebates
- Custom Incentives
- Custom
- Strategic Energy Management
- Direct Installation
- Small Business Energy Solutions

[16] The 2026 DSM Extension investment for energy efficiency is reflective of the mix of programs generating the savings. In 2026, the investment levels in residential

and BNI sector programs are approximately the same, but the residential sector programs are intended to generate approximately 35% of the portfolio savings and BNI sector programs 65% of the portfolio savings. E1 notes that this reflects the evolution of the Nova Scotia electricity efficiency market with the adoption of a residential LED lighting baseline in January 2025, and a permanent shift towards non-lighting measures in its residential programs components, such as Instant Savings and Efficient Product Installation, as well as the expected decline in savings in Home Energy Assessment with the closure of the Canada Greener Homes program.

[17] The planned 2026 DSM extension investment in Enabling Strategies ($7.0 million) is slightly below the 2025 forecast investment ($7.1 million). Similar to 2025, this investment in Enabling Strategies is intended to support the development of the 2027-2031 DSM Plan and its regulatory process. Further, E1 states that this investment supports E1's work with the Independent Energy System Operator, and its first Integrated Resource Plan (IRP), including the initiation of an updated Potential Study.

[18] In the 2023-2025 Plan, E1 introduced a new demand response program. E1 states that "in the 2020 IRP, demand response was selected as a new cost-effective resource for the provincial electricity grid because of the on-demand capacity and grid services it can provide. Since 2019, E1 and NS Power have worked collaboratively to develop, launch, and assess demand response pilots to ascertain their feasibility and scalability."

[19] In developing the 2023-2025 Plan, E1 engaged the expertise of Guidehouse for modelling demand response and development of a demand response roadmap. In that Plan, E1 proposed several demand response pathways, including direct load control,

battery control, behavioural demand response, electric vehicle managed charging, enabling technologies through critical peak pricing (CPP), behind-the meter battery and BNI curtailment. In the proposed 2026 DSM Extension Plan, E1 states it plans to expand and build upon these demand response initiatives outlined in the 2023-2025 DSM Plan.

[20] E1's Demand Response program consists of two components:

- Residential Demand Response
- BNI Demand Response

[21] The goal of the Residential Demand Response program component is to help residential customers reduce their electric load during peak events by providing financial incentives for the demand response capacity made available for peak events that are called by NS Power. Table 20 provides a summary of the Residential Demand Response program component for the 2026 DSM extension:

Table 20: 2026 Summary of the Residential Demand Response Program Component

Extension	Investment ($M)	New Capacity (MW)[a]	Available Capacity (MW)	Participation (participants)
2026 Total	4.0	3.7	4.7	10,303
Program Component Changes	• Residential Demand Response will follow the same approach for the 2026 DSM Extension as outlined in the approved 2023-2025 Plan. • E1 will focus on the following DR pathways in 2026 (marketed as Eco Shift): o Direct Load Control (DLC) smart thermostats: utility control of smart thermostats (mini-split heat pumps, central heat pumps, and electric baseboards). E1 has included both a bring-your-own-device option and a direct install option through the Efficient Product Installation energy efficiency program component. Customers receive an annual payment to participate in DR events. Direct installation customers also receive a small upfront financial incentive to encourage them to install these Eco Shift auto-enrolled devices. o DLC water heaters: utility control of electric water heaters through smart controllers. E1 has included both a bring-your-own-device option and a direct install option through the Efficient Product Installation energy efficiency program component. Customers receive an annual payment to participate in DR events. o DLC Electric Vehicle Managed Charging: managed charging of electric vehicles (EV) either through EV supply equipment (EVSE) or on-board charging control (telematics). Customers receive an upfront and annual incentive payment for participating. o DLC Battery Control: utility control of behind-the-meter batteries for load shifting and dispatching to the grid. Customers receive an upfront incentive to install batteries as well as an annual performance-based incentive ($/kW) to participate in DR events. • Marketing strategies in 2026 include omnichannel integrated campaigns with radio, television advertisements, social media, and social media influencers. Other tactics include video content (product demonstrations), targeted emails including geo-targeting and co-program marketing (e.g., smart thermostat promotion in Instant Savings retargets to Eco Shift), in-store point-of-purchase signage, and outreach to retailers, distributors, and Efficiency Preferred Partner contractors. Strategies also include partnership development with auto-dealers and industry groups.			

[a] 2026 New Capacity (MW) is based on E1's 2025 Residential DR forecast

[Exhibit E-1, Appendix A, p. 43]

[22] Similarly, the BNI Demand Response program component offers financial incentives to BNI customers for the demand response capacity made available during peak events. Table 21 provides a summary of the BNI Demand Response program component for the 2026 DSM extension:

Table 21: 2026 Summary of the BNI Demand Response Program Component

Extension	Investment ($M)	New Capacity (MW)[a]	Available Capacity (MW)	Participation (participants)
2026 Total	2.6	2.6	11.6	439

Program Component Changes	• BNI Demand Response will follow the same approach for the 2026 DSM Extension as outlined in the approved 2023-2025 Plan.
	• E1 will focus on the following DR pathways in 2026:
	  ○ BNI Curtailment: Enrolled customers make a capacity reduction commitment and receive an annual $/kW payment based on their performance reducing load during DR events.
	  ○ Commercial Batteries: Enrollments will begin in 2025/2026. Enrolled customers will receive an annual $/kW payment based on their performance discharging their battery during DR events.
	  ○ Eco Shift pilot, including:
	  ○ DLC smart thermostats: utility control of smart thermostats (mini-split heat pumps, central heat pumps, and electric baseboards). E1 has included a bring-your-own-device option and may include a direct install option delivered through the Business Energy Rebates and Small Business Energy Solutions program components. Customers receive an annual payment to participate in DR events.
	  ○ DLC controllers for electric water heaters: utility control of electric water heaters. E1 may include a direct install option, delivered through Small Business Energy Solutions. Customers receive an annual payment to participate in DR events.
	  ○ DLC Electric Vehicle Managed Charging: managed charging of electric vehicles (EV) either through EV supply equipment (EVSE) or on-board charging control (telematics). Customers receive an upfront and annual incentive payment for participating.
	  ○ DLC Battery Control: utility control of behind-the-meter batteries for load shifting and dispatching to the grid. Customers receive an upfront recruitment incentive to install batteries as well as an annual performance-based incentive ($/kW) to participate in DR events.
	• The 2026 marketing strategy is data-driven using AMI data to identify high potential customers. Tactics include LinkedIn, and targeted customer journey emails, which includes marketing collateral (one-pagers, case studies, educational messaging). Other tactics include business development and energy manager engagement, and promotion in the BNI Switch newsletter.			

[a] 2026 New Capacity (MW) is based on E1's 2025 BNI DR forecast

[Exhibit E-1, Appendix A, p. 44]

[23] E1 said it remains steadfast in its commitment, established in the 2023-2025 DSM Plan, to ensure that programs are both designed and delivered on an equitable and non-discriminatory basis. Specifically, the 2026 DSM Extension will continue providing equity-based programs and allocates 20.2% of its total investment to low-income and equity communities, which include: Affordable Multi-Family Housing and Non-Profit Organizations; Affordable Single-Family Homes; and the Mi'kmaw Home Energy Efficiency Project.

[24] However, E1 noted that it changed the objectives to reduce the percentage investment range for low-income and equity to 15% to 20% (down from 17% to 22% under the 2023-2025 DSM Plan). E1 submits this change was made to account for updated census data showing that the percentage of low-income Nova Scotians had reduced from 17.2% to 14.9%. This change is supported by the Industrial Group.

[25] E1 has proposed that, at the portfolio level, the unit cost (the cost of energy efficiency per kWh) will be $0.49/kWh in 2026, which is an increase from the 2025 forecast of $0.44/kWh. In the 2023–2025 DSM Plan, the Board approved $0.39/kWh. Over the four-year 2023–2026 period, the portfolio unit cost is $0.42/kWh.

[26] E1 states that the unit cost in 2026 is attributable to the mix of programs that are generating the savings. It states:

> … For example, in 2026, where the energy efficiency investment represents a 51%/49% split between the Residential and BNI sectors, the energy savings split is 35%/65% respectively. This is demonstrative of how several of E1's Residential sector programs will see a higher unit cost in 2026, attributed to the phase out of lighting as a low-cost opportunity (Instant Savings and Efficient Product Installation), and the expected decrease in participation in Home Energy Assessment.
>
> [Exhibit E-1, Appendix A, p. 19]

[27] E1's application highlights the following key observations of the cost-effectiveness of the 2026 DSM Extension (note that the Total Resource Cost (TRC) test compares the costs incurred to design and deliver programs and customers' costs with avoided energy and other supply-side resource costs, including capacity, transmission, distribution, and carbon, while the Program Administrator Cost (PAC) test represents only the electric utility costs and benefits):

- E1's 2026 portfolio total [Energy Efficiency + Demand Response + Enabling Strategies] passes the TRC and PAC test.
- Affordable Multi-Family Homes, Affordable Single-Family Homes and Mi'kmaw Home Energy Efficiency Project program components do not pass TRC. These are dedicated low-income and equity program components, within the Existing Residential program, which are expected to have lower TRC values.

- The Home Energy Assessment program component does not pass TRC. This is attributable to avoided costs updated in the 2026 DSM Extension, lower energy savings for Home Energy Assessment as a result of the 2024 evaluation billing analysis, and higher incremental costs. Home Energy Assessment, compared to Affordable Single-Family Homes and Mi'kmaw Home Energy Efficiency Project does not assume government funding top ups in 2026, assumes larger heating systems being installed based on recent trends which have a higher cost, and a lower net-to-gross ratio, all of which contribute to the lower TRC result.
- E1's BNI sector has a moderately higher TRC value when compared to the Residential sector. This is largely attributable to savings opportunities in the BNI sector generally producing more benefits per dollar invested.
- BNI Efficient Product Rebates program component possesses the highest TRC and PAC test results at a program component level within the portfolio.
- For energy efficiency programming, PAC test results are typically higher when compared to TRC test results, owing to the inclusion of incremental costs (total cost difference between the standard and efficient option) in the TRC test results, while the PAC only contains the incentive portion of incremental costs. This situation is reversed for certain Direct Installation measures.

[Exhibit E-1, Appendix A, pp. 25-36]

4.0 POSITION OF THE INTERVENORS

4.1 Industrial Group

[28] The Industrial Group argues that although the specific investment amount for the 2026 DSM extension has been prescribed by the legislation, the Board must still consider whether the proposed 2026 DSM Plan is in the best interest of ratepayers. It must also determine the reasonableness of the programs and measures proposed, the allocation of spending, the cost-effectiveness of the plan, and the way E1 manages its spending throughout the plan period.

[29] The Industrial Group recommends the following to the Board:

1. Take into consideration the cost-effectiveness results provided in relation to the program and/or measure level, in addition to the portfolio level, considering the requirement to determine the best interest of ratepayers and ensuring that the DSM is implemented with the goal of reducing costs to ratepayers.

2. Direct E1 to engage the DSMAG prior to the filing of the next five-year plan to discuss the standardized filing framework, review E1's proposed "balanced plan", review the relevant factors and weighing of factors for consideration in the new Plan, and discuss the impact of the Board's future decision regarding the new Benefit Cost Analysis test to be applied, if any.

3. Reject the recommendation of Mr. Peach regarding not counting the savings associated with the residential behavioural program, the residential and BNI demand response programs, and the compressed air component of the BNI custom program.

4. Direct E1 to complete more comprehensive analysis into the demand response programming employed, and provide more clear support, including a PAC result of 1.0, in any proposed DR programming in the 2027-2031 DSM Plan.

5. Direct E1, and NSPI, to analyze and report on the overlapping programming in relation to the residential demand response programs and the CPP programing run by NSPI before the filing of the 2027-2031 DSM Plan, and direct E1, and NSPI, to coordinate in the provision of data required to enable E1 to develop better and more effective targeted demand response programming within the 2027-2031 DSM Plan, including the collection of data needed to map customers to substations.

6. Direct E1 to manage its budgeted program spending by customer class, within a reasonable range to avoid such "substantial change" to ratepayers when proposing any midcourse adjustments.

[Industrial Group Closing Submissions, pp. 10-11]

[30] The Industrial Group also urged E1 to address certain concerns in this proceeding, including:

7. How it proposes to revise its programming in relation to the noted impacts of the NSPI cybersecurity breach, and the residential behavioural program including any changes in spending and customer class investment impacts due to the suspension of AMI data and how E1 plans to achieve its performance targets.

8. Confirmation on whether amendments to the Supply Agreement are required to implement NSPI's proposed changes to the DSM Tariff and variance recovery period.

[Industrial Group Closing Submissions, p. 11]

4.2 Consumer Advocate

[31] Green Energy Economics Group (Green Energy), the Consumer Advocate's Consultant, recommended the 2026 DSM extension be granted with the following modifications:

- To ensure the same sector budget allocation is used, E1 should readjust its "budget and allocate an additional $2.1 million to the residential sector to make the residential sector budgets $27.6 million and maintain the 55% allocation of spending from the 2025 plan year. Some of this funding should be used to offset the drop in provincial funding for the Affordable Multifamily Housing program."

- In providing projections for incidental low-income savings, E1 should make allocation estimates based on the methodology used for low-income attribution in future reported savings.
- E1 should "only apply the overall low-income prevalence to all participants, unless the number of known low-income participants is greater, in which case that number should be used."

[32] Green Energy further recommends that E1 take a detailed look at the residential energy efficiency program offerings in the next DSM Plan to ensure there is an appropriate mix of programs and measures that will provide sufficient cost-effectiveness savings for residential ratepayers. It also suggested that E1 conduct surveys to get a better understanding of the percentage of low-income customers participating in the programs not dedicated to low-income customers.

[33] E1 supports this recommendation, subject to the following conditions:

> … (1) surveys will be executed exclusively for programs that involve some level of low-income and equity participation; and (2) the scheduling of these surveys will remain flexible to ensure alignment with each program's planned evaluation timeline.
>
> [Exhibit E-17, p. 14]

[34] Green Energy also stated that the Board should not adopt recommendation SVR2024-Behaviour-5 from the Peach 2024 Savings Verification Report to discontinue counting savings for the Efficiency Insights program. E1 agrees with this recommendation.

[35] The Consumer Advocate said he sees no basis to oppose E1's application for the extension as requested and is satisfied with E1's responses to the concerns identified by Green Energy. However, he submits:

> While the Consumer Advocate is satisfied with E1's responses to the issues raised by GEEG (subject to our comments above), GEEG also recommended that EfficiencyOne should reallocate $2.1 million from other sector budgets back to the residential sector to maintain the 55% spending allocation from the 2025 plan year. GEEG also recommended

> that the additional funding should be used, in part, to offset the drop in provincial funding for the Affordable Multi-Family Housing program.
>
> [Consumer Advocate Closing Submissions, p. 5]

4.3 Small Business Advocate

[36] The Small Business Advocate is generally supportive of E1's application to extend the DSM Plan. However, she identified concerns she felt should be held in abeyance and brought forward in the 2027-2031 DSM Plan application:

> 1. In the EOne reply evidence starting on Page 7 of 171, EOne addressed Synapse's Evidence suggesting that the Demand Response programs for Residential and BNI (Business, Non-profits, and Industrial) are not cost effective based on the PAC test. The SBA respectfully submits that pursuing this reasoning presented by Synapse would have the effect of expanding the scope of this MI2249 application while being inconsistent with the Board order to consider cost benefits of the EOne Plan at the Portfolio level. While the SBA has been in favor of Program or measure level testing, the fact remains that this issue is outside the scope of this matter and should be considered in the future filing of the EOne Five-year Plan.
>
> 2. Regarding the Demand Response programs for Residential and BNI, EOne's Reply Evidence includes, as Appendix A, Econoler's Reply Evidence, which replies to the Savings Verification Review (the "Peach Report"). Beginning on Page 17 of 28 of Appendix A, Econoler takes exception to what appears to be the Peach Report's concern with the benefits of the Residential and BNI Demand Response programs. The Peach Report introduces the concept of Practical Value to the Utility System and the Practical Value to Households (the latter of which is assumed to also include business entities). However, these concepts of value have not been discussed or tested, and it is unclear if Econoler, or EOne is accepting them as appropriate valuation of benefits. Notably, if those are the only 2 types of value being assessed, the SBA respectfully submits that there is no consideration of the value that participants either received or expected to receive when they chose to participate.
>
> [Small Business Advocate Closing Submissions, p. 2]

4.4 Synapse

[37] Synapse stated that the 2026 DSM extension of energy efficiency initiatives remains cost-effective at the portfolio level. It stated: "The first-year cost of saved energy falls in the middle of the Canadian and leading U.S. jurisdictions." Synapse recommended that the Board approve the energy efficiency portion of the 2026 DSM Extension as filed.

[38] Synapse also recommended that the Board approve the demand response portion of the proposed 2026 DSM Extension. However, Synapse recommended that the

Board direct E1 to include a demand response offering in the 2027-2031 DSM Plan that has a Program Administrator Cost (PAC) test value of 1.0 or greater. Synapse also recommended that the Board direct E1 to conduct its own benchmarking study to develop its cost-effective demand response for the 2027-2031 DSM Plan and to leverage Efficiency Canada's forthcoming benchmarking research for that study.

[39] Synapse further recommended that E1 be directed to include energy efficiency and demand response strategies to target constrained areas in the 2027-2031 DSM Plan or provide a clear rationale for not proposing these strategies and incorporate the avoided transmission and distribution costs for constrained areas in its benefit-cost analysis of the 2027-2031 DSM Plan.

5.0 DISCUSSION AND ANALYSIS

5.1 Scope of 2026 DSM Extension

[40] The Industrial Group argued E1 filed this application as a "one year extension," and as a result, the application lacked the full consultative approach generally employed by E1. The Industrial Group also submitted that E1's application did not fulfil all the standardized filing requirements or model alternative scenarios, which it ought to have done.

[41] E1 provided justification for measures that fail cost-effectiveness testing and provided payback information in its measure level tables in responses to information requests. However, the Industrial Group stated that, in failing to respond to the filing directives in its application, E1 denied intervenors the opportunity to make information

requests based on the results. The Industrial Group argued the justification for not doing so is insufficient, given that the data was within E1's possession.

[42] While E1 maintains that its application provided "fulsome information" to support the review of its application, it emphasized that the application was in response to a legislated one-year extension to its existing DSM Plan and it was not required to file a multi-year plan. E1 submits that the issues the Industrial Group identified are more properly addressed in its forthcoming five-year DSM Plan. It said:

> The legislative amendment extends the existing 2023-2025 DSM Plan through 2026 and requires E1 to submit targets for 2026 for approval. Accordingly, issues relating to program design revisions, modifications to test methodologies, and long-term framework development should be addressed during the 2027-2031 DSM Plan process and within E1's standardized filing protocol.
>
> [EfficiencyOne Reply Submissions, p. 5]

5.1.1 Findings

[43] Although the amendments that changed the term of DSM Plans from three years to five years were made in November 2022, significant changes in electricity regulation in the province were made in the *Energy Reform (2024) Act*, SNS 2024, c 2. These changes included the creation of the Nova Scotia Energy Board and changes to the new Board's obligations and powers compared to Nova Scotia Utility and Review Board. It was not until the end of October 2024 that these changes were proclaimed to come into force, effective April 1, 2025.

[44] The one-year extension was enacted in *An Act Respecting Agriculture, Energy and Natural Resources*, SNS 2025, c 4 and came into force in March 2025. At second reading of the bill, the Minister of Energy noted:

> We're adding a clause to the Public Utilities Act to allow Efficiency Nova Scotia to extend its current demand-side management plan by one year. Efficiency Nova Scotia is moving

> from a three-year to a five-year planning cycle. The extension of its current plan will give time for key changes in the electricity system to be put in place.
>
> [*Nova Scotia House of Assembly, Debates and Proceedings*, March 7, 2025]

[45] The Board finds that the legislated one-year extension was intended to bridge the transition of E1's programming to its first five-year plan and to ensure that the new plan was approved under the changes made in the *Energy Reform (2024) Act*. These changes, as they relate to DSM Plans, were recently discussed by the Board in its decision in Matter M12282, where the Board considered the requirement for cost-effective DSM Plans in detail and will not repeat them here (2025 NSEB 18). The Board concludes the intent was to allow E1 to maintain, more or less, the *status quo* pending the development of its new plan. As such, the Board finds E1's approach to the filing of this application was appropriate.

[46] The Board expects E1's application for its new five-year DSM Plan will include the assessments and information the Industrial Group identified as missing in this proceeding (subject to the Board's decision in Matter M12282).

5.2 Standardized Filing Framework and Balanced Plan

[47] Board Counsel consultant, Synapse, recommended that the Board direct E1 to reconvene the DSMAG to develop updates to the Standardized Filing Framework and implement the updates for the 2027-2031 DSM Plan. The Industrial Group agreed with this recommendation but suggested this should extend to a review of E1's "balanced plan."

[48] E1, in its Reply Evidence, said it shared updates to the Standardized Filing Framework as part of the DSMAG engagement and expects to continue this work as part of the DSMAG engagement for the 2027-2031 DSM Plan.

5.2.1 Findings

[49] The Board directs E1 to continue its engagement with the DSMAG on the Standardized Filing Framework. The Board also expects E1's engagement for its new DSM Plan will include a review of E1's "balanced plan", the relevant factors and weighing of factors for consideration in the new Plan, and the impact of the Board's decision in Matter M12282.

5.3 Savings and Verification Report Recommended Disallowances

[50] Dr. Gil Peach, Board Counsel's consultant, recommended that savings from the residential behavioural program, the residential and BNI demand response programs, and the compressed air component of the BNI custom program not be counted in the2024 evaluation estimates, provided by Econoler, who is E1's independent evaluator for its DSM initiatives.

[51] For the BNI Custom Incentive Program (Custom), Dr. Peach was concerned that the portion of energy savings and demand reduction attributed to the compressed air leak audit projects were not independently evaluated. He recommended not accepting the value reported by Econoler, since there was no independent evaluation following the Universal Methods Project (UMP) Protocol. Dr. Peach said Econoler followed an approach that was inherently inaccurate, calling the results into question. Dr. Peach also considered the pattern of reported savings warrants an explanation and said an adjustment was made to an older value and reported for 2024.

[52] Econoler recognized the UMP recommended a different approach than was used to quantify leakage rates, it considers the approach used to be sufficiently accurate for the purposes of estimating energy savings for compressed air leak projects, provided

they are used by trained technicians to ensure measured leak rates are reliable. It noted that E1 provided such training at both sites identified by Dr. Peach.

[53] Econoler also submitted that the approach used balanced accuracy, reasonableness and cost given the recommended approach requires the interruption of production lines, which can be highly impractical and costly, to the point of deterring facilities from relying on support for incentive programs. Based on a review of seven jurisdictions where incentives are available for compressed air leak projects, Econoler also said none require the recommended test be performed.

[54] Regarding the pattern of claims, Econoler stated:

> Econoler's review of historical savings for this participant indicates that both sites started implementing compressed air leak audit and repair efforts starting in 2022, and savings have been claimed since then. These efforts were the result of discussions between the customer and E1 in 2021. Prior to 2022, this customer had not undertaken dedicated compressed air leak audit and repair efforts at these two facilities for several years.
>
> Each of these facilities, which are complex industrial plants, consists of several production lines and departments, of which many have their own dedicated compressed air distribution network. Given that some departments have higher leakage rates than others (well beyond 30% in some cases), and that compressed air leak audits and repairs are performed for each department or production line separately, it is not unexpected that each facility would submit several savings claims over time and that these would vary in size.
>
> [Exhibit E-17, Appendix A, p. 25]

[55] Econoler did not agree that an adjustment was made to an older value and reported for 2024. It said:

> … For each project, a portion of overall savings was claimed in 2022 and the remaining portion in 2023 (these are termed *partial claims*), but the participation process was not completed until early 2024. Consequently, these projects were reviewed as part of the 2024 evaluation, but no additional project savings were claimed in 2024, with the exception of true-up adjustments based on project review findings for these projects. Econoler followed the reporting approach that has been in place for several years for Custom Retrofit projects, which includes partial claims for on-going multi-year projects and true-up adjustments applied as needed when these projects complete. [Emphasis in original]
>
> [Exhibit E-17, Appendix A, p. 27]

[56] For the Residential Behavior Program and the two Demand Response programs, Dr. Peach considered that the energy savings and demand reduction are not

large enough to be of practical value at either the household level or at the utility system level. He said Econoler followed the relevant protocols, but it did not consider the very large sample size. Dr. Peach stated that for very large sample sizes, statistical significance loses meaning and it is necessary to, instead, gauge performance using practical significance.

[57] Econoler did not agree with Dr. Peach and submitted its approach was fully aligned with two specific industry standards for behaviour programs, both of which were developed by recognized organizations with a thorough review process. It said the protocols did not need to address the shift from statistical significance to consideration of practical effect size because this is not relevant for a residential behaviour program. Econoler said, for residential behaviour programs, the effect does not need to be perceived at the household level, rather it only needs to be perceived in the metering data. It noted that residential behaviour programs are widely implemented as DSM programs in North America with savings, representing a small percentage of the household energy consumption, claimed and accepted by utilities.

[58] The Industrial Group stated that if the Board accepts Dr. Peach's recommendation, the program costs for 2026 will increase. In response to Dr. Peach's recommendations, E1 provided a full explanation for these programs in its Reply Evidence. The Industrial Group agrees that these savings should be included in the calculation. However, the Industrial Group commented on the fact that E1 has suspended its residential behaviour program due to NS Power's cybersecurity incident and suggested that E1 should be directed to set out how it proposes to revise its programming. The Industrial Group stated this should include any changes in spending and customer

class investment impacts due to the suspension of this program and how E1 intends to achieve its performance targets.

5.3.1 Findings

[59] The issues raised by Dr. Peach leading to his recommendation to disallow the claimed energy and demand savings in four programs are of concern to the Board.

[60] Regarding the compressed air leak audits under the BNI Custom Incentive Program, Dr. Peach noted that the claimed energy savings and demand reduction were not determined by independent evaluation following the relevant UMP Protocol. He also questioned an adjustment to the reported savings results. Econoler acknowledged that the UMP Protocol was not followed. They explained the approach that was used and why they deviated from the protocol. Econoler also explained that the savings adjustments were essentially true-up adjustments associated with multi-year projects that overlapped from one year to the next. The Board accepts Econoler's explanations but directs that more fulsome explanations of such variances be provided in future reporting so that the appropriateness of claiming the energy or demand savings can be determined.

[61] Regarding the Residential Behaviour Program, Dr. Peach recommended redesigning and evaluating this program as a marketing and promotional program, but not as a direct energy savings program. The objectives of that program are to influence household energy efficient behaviours and to encourage participation in measure-based residential energy efficiency programs being offered by E1. There are no physical energy efficiency measures associated with the behaviour program. There is also no ability to attribute any perceived energy reduction to specific actions taken by the participant or how much energy might be saved through the unknown behaviours. Such unknowns are

valid concerns which call into question the credibility of promoting this as a direct energy savings program.

[62] The Board understands this program is currently suspended due to NS Power's cybersecurity breach. Considering the relatively small energy savings claimed under this program, it is prudent to assess whether the expenditures and evaluation efforts provide sufficient value to justify continuing the program in its current form. Accordingly, the Board directs E1 to complete an evaluation to determine if the program can be improved as a marketing and promotional program, or if it should be discontinued in favour of more beneficial initiatives in its upcoming five-year DSM Plan. In the meantime, the 6.27 GWh energy savings claimed for 2024 can be retained. Any further behavioural energy savings being claimed for the 2025 or 2026 program years must be fully justified.

[63] Regarding the residential and BNI demand response programs, the Board acknowledges the concerns raised by Dr. Peach and directs E1 to focus on those concerns, in conjunction with NS Power, when considering any future distributed energy resource initiatives for inclusion in the 2027-2031 five-year DSM Plan. For the 2024 program year, the Board will allow retention of the 0.057 MW demand reduction in the Residential Demand Response program and the 8.034 MW demand reduction in the BNI Demand Response program.

5.4 Demand Response

[64] E1 acknowledges the potential for further development within the demand response programs. It submits that concerns about the design of its demand response programs, including an analysis of any overlap with NS Power's Critical Peak Pricing Program and the use of substation customer data for targeted activities, are beyond the

scope of this proceeding and should instead be dealt with as part of E1's engagement with the DSMAG and application for the upcoming 2027-2031 DSM Plan.

5.4.1 Findings

[65] The Board agrees that concerns about E1's demand response programs are better addressed in its consultations and upcoming application for approval of its five-year DSM Plan. That said, the Board notes that E1 should be fully prepared to address the questions raised in this proceeding about potential overlap with NS Power's Critical Peak Pricing Program and the targeting of constrained areas of the transmission and distribution system in its application. If it fails to adequately address these issues, this may complicate the approval of its DSM Plan. The Board expects NS Power to cooperate fully with E1 in exploring these issues.

[66] The Board declines to direct that E1 may only include a demand response program in its new five-year plan if it has a PAC of at least 1.0. As discussed in its reasons in E1's benefit-cost analysis application (2025 NSEB 18), the requirement to evaluate the cost-effectiveness of DSM at the portfolio level means that programs with PAC test results below 1.0 may be permitted. Justification for the inclusion of these programs will be required, but could be provided in several ways, including based on the factors the Board is required to consider under s. 6(2) of the *Energy and Regulatory Boards Act*, SNS 2024, c 2, Schedule A.

5.5 Mid-course Adjustments

[67] The Industrial Group expressed concerns about E1's discretion to re-allocate spending between programs and customer classes through "mid-course adjustments". The Industrial Group said E1 was granted this discretion by the Board; however, it was limited to a variance of 25% of the program cost and on the basis that E1

would “use reasonable efforts to avoid program changes that will result in substantial changes to any customer class on an annual basis”. E1 also committed to give written notice in advance of the intent to implement any mid-course adjustments.

[68] E1, in its response to Information Requests, admitted that it has not defined what constitutes a “substantial change” either at the rate class expenditure level or on a per customer basis, nor has it provided advance notice. E1 asserts that it is “imperative” that it retain flexibility to shift funding between programs, and it will focus on implications of these shifts, particularly when rate class spending is higher compared to plan.

[69] The Industrial Group submits that a 25% change in planned spending is a “substantial change” and requests that the Board direct E1 to manage its budgeted program spending by customer class, within a reasonable range to avoid such “substantial change”.

[70] In 2026, E1 proposes to increase its spending on the Medium Industrial class to $2.4 million (up from the 2025 approved spending of $1.1 million) and on Large Industrials to $3.9 million (up from $2.4 million). The Industrial Group states that the impact on customer rates from these increases cannot be ignored by E1. It goes on to state that “unfettered cost shifting between customer classes to meet DSM targets should not be permitted to continue considering the significant impacts on customer costs that have and will continue to occur.”

[71] E1 responded with a commitment to enhanced reporting and discussion on rate class expenditures and spending variances and forecasts, including the following strategies:

- improvements to the accuracy of the estimates used for rate class allocation of expenditures in E1's DSM Plan;

- a commitment to provide enhanced reporting in its quarterly and annual progress reports; and
- the continued management of program expenditures (including providing explanations for program spending variances compared to the DSM Plan that are greater than 25% in its DSM reporting).

[EfficiencyOne Reply Submissions, p. 8]

[72] E1 said it remains committed to considering rate class spending when reallocating funding between programs.

5.5.1 Findings

[73] The concerns raised by the Industrial Group are serious. The potential for E1 to proceed with relatively unrestrained changes to ensure it meets its own performance targets and objectives at the cost of hardship and prejudice to the rate classes who are funding E1's work needs to be revisited, particularly now that its DSM Plans will only be reviewed every five years. While the Board accepts E1's legitimate need for some flexibility, the Board finds the process now is unbalanced. Ratepayers in classes affected by E1's adjustments need more opportunity to consider and object to these changes before they are made. The Board directs E1 to discuss this issue further with the DSMAG and includes a revised process for making mid-course adjustments in its upcoming DSM Plan application.

5.6 DSM Supply Agreement

[74] This application includes amendments to the schedules in E1's existing Supply Agreement with NS Power. E1 said if changes to the Supply Agreement are required because of the outcome of NS Power's pending general rate application, it will work collaboratively with NS Power to revise the Supply Agreement as necessary. The revised agreement will then be submitted to the Board for review and approval.

5.7 NS Power Cyber Attack

[75] On August 21, 2025, E1 advised the Board that the cybersecurity incident at NS Power affected NS Power's ability to transfer customer consumption advanced metering infrastructure data to E1, resulting in the suspension of E1's Residential Behaviour Program until further notice. E1 said that without this data, customer reports and insights cannot be generated, and it could not measure changes in customer usage between treatment and control group customers.

[76] The Industrial Group asked E1 to outline any needed revisions to its 2026 programs because of the NS Power cybersecurity breach and its impact on the Residential Behaviour program component. E1 said it is not currently anticipating material changes to the 2026 programs because of the cybersecurity breach and the Residential Behaviour program component. E1 said it is committed to continue working with NS Power on this item and to provide regular updates, including any impacts to programs that may arise, to the Board and stakeholders through E1's quarterly and annual progress reporting. The Board accepts E1's response at this time but expects it to promptly identify any issues or potential issues as they arise, as it did in its correspondence to the Board in August.

5.8 Reallocation of $2.1 Million to Residential

[77] Green Energy recommended reallocating $2.1 million to the residential sector budgets to ensure that the 2026 DSM extension maintains the same budget allocation as the existing DSM Plan. Green Energy said some of this funding should be used to offset the drop in provincial funding for the Affordable Multi-family Housing program.

[78] E1 noted that in developing DSM Plans, it follows several design objectives, including an objective to design plans that allocate 50% of the investment to residential programs and 50% to business, non-profit and institutional; however, the existing plan resulted in an investment allocation of 55% to the residential sector.

[79] E1 acknowledges that 51% investment allocation for the residential programs for the 2026 DSM Extension is lower than previous years but noted the investment allocation for residential programs for the 2023-2026 period is 54%, which has only decreased by one percentage point from the 2023-2025 DSM Plan. E1 said it plans to consult with the Consumer Advocate, Green Energy, and other rate class representatives about appropriate design objectives for the 2027-2031 DSM Plan.

5.8.1 Findings

[80] The Board accepts E1's response and declines to direct a reallocation of investment.

5.9 Performance Requirements

[81] For the 2026 DSM Extension, E1 proposes to use the same definitions of performance metrics, targets, performance indicators, and thresholds as in the approved 2023-2025 Plan. E1 proposes that its performance targets for the 2023-2025 period be amended to incorporate the 2026 targets as approved by the Board.

[82] E1 proposes to amend its targets to include 2026 as follows:

- 528.7 GWh of cumulative annual net energy savings;
- 97.7 MW of cumulative annual net peak demand savings;
- 16.3 MW of demand response available capacity during the winter peak period over the four-year plan; and
- 19.8 MW cumulative annual energy savings applicable to E1's dedicated low-income and equity programs which include Affordable Multi-Family Housing,

Affordable Single-Family Homes, and the Mi'kmaw Home Energy Efficiency Project.

[83] E1 submits that the investment in aggregate over the 2023-2026 four-year period would be $236.8 million. E1 also proposes to use the same performance indicators as in the approved 2023-2025 DSM Plan.

5.9.1 Findings

[84] The Board approves E1's proposed amended cumulative targets, which build on the targets previously approved by the Board to account for the extension.

5.10 Evaluation and Reporting

[85] In the 2026 DSM Extension, E1 proposes to follow the same measurement and evaluation activities as approved in the 2023-2025 DSM Plan. This includes an annual impact evaluation for each program. E1 also proposes to be subject to the same DSM reporting as in the approved 2023-2025 DSM Plan. Synapse, however, recommends that the Board direct E1 to provide calculations of actual PACs and TRCs for 2023, 2024, 2025, and 2026 in its annual reports.

[86] Synapse asked E1 to provide calculations for its actual PACs and TRCs for 2023 and 2024 so it could examine the most up-to-date cost-effectiveness trends. E1 said it did not have verified customer costs or verified utility avoided costs to retroactively perform cost-effectiveness screening with actual results. Therefore, it could not provide all the information that Synapse was seeking.

[87] Synapse noted that actual results are provided in other jurisdictions and tend to hold avoided costs assumptions and may hold some participant costs assumptions constant in these assessments to better isolate the variables that indicate DSM program administrator performance.

[88] In its Reply Evidence, E1 said it interpreted Synapse's information request as seeking an analysis based on information it did not have. However, after reviewing Synapse's evidence, E1 appeared to have a better understanding of what Synapse was seeking and agreed to produce much of this information. It said:

> E1 understands that the purpose of the reporting Synapse is recommending is to provide insights to the Board and stakeholders on the cost effectiveness of E1's implementation of the DSM Plan as compared to the DSM Plan as approved. E1 agrees in this case, it would be appropriate that only those inputs within E1's control, such as E1's actual costs and savings would change, with all other inputs remaining constant.
>
> E1 notes that TRC test results (E1 would expect in future the proposed BCA, if approved by the Board) are more complex than the PAC test results to calculate. E1 would require support from its third-party modelling consultant and evaluator to establish the methodology and approach for the calculations, including the development of guidelines and processes. This work would incur additional costs not contemplated in the 2026 DSM Extension. Due to the complexity of the work required, the earliest E1 could provide reporting would be in the 2026 Annual Progress Report for the 2026 test results, these results would not be retroactive to 2023. Alternatively, E1 proposes that limiting reporting to only the PAC test would not incur additional costs as this work would not require third party support, since this work can be completed by E1. E1 could include the PAC test results for 2023, 2024 and 2025 in the 2025 Annual Progress Report.
>
> [Exhibit E-17, pp. 6-7]

5.10.1 Findings

[89] Since the Board did not approve E1's proposed benefit-cost analysis test in its recent decision and directed E1 to use the PAC test (2025 NSEB 18), the Board finds it is appropriate to limit the requested reporting to the PAC test. As E1 noted, this would also avoid the costs associated with engaging consultants to develop a methodology for the other cost-effectiveness tests. The Board, therefore, directs E1 to include PAC test results for 2023, 2024, and 2025 in its 2025 Annual Progress Report and to continue reporting results for each subsequent year in its annual reports. If this information does not provide a reasonable basis for considering cost-effectiveness trends and program administrator performance, additional reporting may be required.

6.0 CONCLUSION AND SUMMARY OF BOARD FINDINGS

[90] The Board approves E1's proposed performance targets for the 2026 DSM year and the amendments to its 2023-2025 DSM Supply Agreement with NS Power to incorporate the legislative changes and the approved 2026 targets.

[91] The Board also directs E1 as follows:

- to continue its engagement with the DSMAG on the Standardized Filing Framework, a review of E1's "balanced plan", the relevant factors and weighing of factors for consideration in E1's next DSM Plan, and the impact of the Board's decision in Matter M12282;
- E1 may include the energy savings related to its Residential Behaviour program and demand savings from its Residential Demand Response and BNI Demand Response programs for 2024 but must assess and address concerns with these programs in its application for its five-year DSM Plan;
- to address concerns about its demand response programs in its consultations and upcoming application for approval of its new five-year DSM Plan;
- to discuss with the DSMAG and include a revised process for making mid-course adjustments in its upcoming DSM Plan application;
- to promptly identify any issues or potential issues relating to the impact of NS Power's cybersecurity incident on E1's operations and programming as they arise; and
- to include PAC test results for 2023, 2024, and 2025 in its 2025 Annual Progress Report and to continue reporting results for each subsequent year in its annual reports.

[92] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 22nd day of December 2025.

Stephen T. McGrath

Steven M. Murphy

Darlene Willcott