



## THE BRETON LAW GROUP

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File No. 41736-5

Nicole Godbout  
Regulatory Counsel  
Nova Scotia Power Inc.  
1223 Lower Water Street  
Halifax, NS B3J 3S8

Dear Ms. Godbout:

**Re: September 12<sup>th</sup> IRP Technical Conference**

Efficiency Nova Scotia Corporation (ENSC) has reviewed the information provided by Nova Scotia Power Inc. (NSPI) at its September 12th IRP Technical Conference. We appreciate the opportunity to respond and provide the following four comments.

1. ENSC agrees with Synapse's comments from the Technical Conference that the IRP is a long-term planning exercise, not a rate-setting exercise.
  - It is ENSC's position that, in order for the integrity of the IRP process to remain intact, the output of the IRP must follow its own Terms of Reference by selecting a preferred resource plan that has the lowest cumulative present worth of annual revenue requirements over a 25-year horizon. The notion of introducing a 5-year NPV is not consistent with the long-term objective of an Integrated Resource Planning analysis and has the effect of masking the long-term optimal results that the IRP must deliver.
  - While ENSC understands that, with a majority of candidate resource plans (CRPs) falling within 5% of each other in terms of their NPVs, there may be added value given to the additional considerations included in the IRP Terms of Reference (i.e., system reliability, plan robustness, etc.), details on how these considerations may be interpreted have not been provided for stakeholder discussion in the results presented to date.
  - The IRP is a technical analysis. ENSC suggests that it is therefore not appropriate for stakeholders to be asked to vote on their preference for a preferred candidate resource plan.

2. ENSC agrees with NSPI that affordability is an important issue to be addressed. However, ENSC does not believe it should be addressed within an IRP. Consistent with NSPI's suggestion that Avoided Costs could be dealt with in a process subsequent to the IRP, so too could the issue of affordability.

- Affordability can have different definitions. It should be given careful consideration and be included within a subsequent process or regulatory proceeding to allow full engagement of interested parties.
- The consideration of affordability is clearly identified as a requirement in the *Electricity Efficiency and Conservation Restructuring (2014) Act, R.S.N.S. 2014, c. 5* (the "Act"), Section 79L (9):

*The Board's assessment of the proposed electricity efficiency and conservation activities for the purpose of the approval must take into account their affordability to Nova Scotia Power Incorporated's customers, along with any other matters considered appropriate by the Board or as may be prescribed.*

Therefore, affordability must be included within the next DSM Resource Plan application, allowing for a fuller discussion of this important issue.

3. Some of NSPI's key observations appear to be untested or at odds:

- With the completion of months of modeling work indicating that 13 of the 14 top-ranking candidate resource plans including either Base or High levels of DSM, ENSC suggests it is not appropriate to propose an action plan that includes an untested concept of a variable DSM spending profile. There is no modeling to indicate whether or not such a scenario would be competitive on a planning horizon basis, which is important from an IRP perspective. Again, a subsequent process can include discussion on factors such as affordability.
- NSPI's Key Observation #8 suggests that capacity additions are required for High Load World CRPs in the early 2020s. ENSC respectfully notes that the High Load World CRPs were not tested with High DSM to offset load growth.
- While it is appropriate to consider different amounts of DSM as part of the negotiated agreement, the notion of variable (lower near-term spending) DSM in the IRP process appears to be at odds with mitigating the concern raised in Key Observation #8 and may even exacerbate the situation. Moreover, a variable DSM spending profile with lower near-term spending greatly increases the risk-profile of such a resource plan, even beyond the years of lower DSM expenditures.

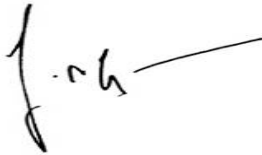
4. Regarding NSPI's draft action plan items relating to DSM, ENSC is happy to work with NSPI and stakeholders on developing a 3-year Plan and filing it for UARB approval as well as examining ways to place an increased focus on demand, as NSPI has indicated is important.

**Conclusion**

ENSC appreciates the opportunity to provide these comments.

Yours very truly,

**THE BRETON LAW GROUP**

A handwritten signature in black ink, appearing to read "J. R. Gogan", with a long horizontal line extending to the right from the end of the signature.

James R. Gogan

cc. Allan Crandlemire  
John Aguinaga  
Julie-Ann Vincent  
cc. M05522 Participants