

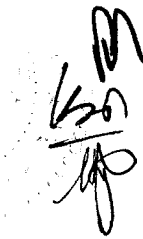
**NOVA SCOTIA UTILITY AND REVIEW BOARD**

**IN THE MATTER OF THE PUBLIC UTILITIES ACT**

- and -

**IN THE MATTER OF AN APPLICATION** for Approval of a Supply Agreement for electricity efficiency and conservation activities between EfficiencyOne and Nova Scotia Power Incorporated, the establishment of a final agreement between the parties, and approval of a 2016-2018 Demand Side Management Resource Plan

**BEFORE:**



Peter W. Gurnham, Q.C., Chair  
Kulvinder S. Dhillon, P. Eng., Member  
Roberta J. Clarke, Q.C., Member

**WHEREAS** EfficiencyOne ("E1") filed an Application with the Nova Scotia Utility and Review Board ("Board") on February 27, 2015, requesting approval of a Supply Agreement for electricity efficiency and conservation activities between E1 and Nova Scotia Power Incorporated ("NSPI"), the establishment of a final agreement between the parties, and approval of a 2016-2018 Demand Side Management Resource Plan;

**AND WHEREAS** a Notice of Hearing was published in the Chronicle Herald and the Cape Breton Post on March 7, 14 and 18, 2015;

**AND WHEREAS** Intervenor status was granted to the Consumer Advocate ("CA"), the Small Business Advocate ("SBA"), the Affordable Energy Coalition ("AEC"), Clean Nova Scotia Foundation, Ecology Action Centre ("EAC"), Industrial Group, Nichent Energy Inc., Nova Scotia Department of Energy, Port Hawkesbury Paper LP, and Rhyno LED Lighting Solutions;

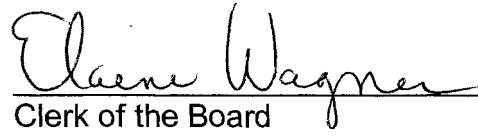
**AND WHEREAS** the Board held a public hearing on June 15, 16, 18 and 19, 2015, and issued its Decision [2015 NSUARB 204] on August 12, 2015;

**AND WHEREAS** E1 filed a Compliance Filing with the Board on September 15, 2015 and comments were received on the Compliance Filing from the SBA and the Industrial Group on September 25, 2015;

**IT IS HEREBY ORDERED** that:

1. The Board approves a DSM Plan for 2016-2018 in the aggregate amount of \$102,150,000 with a target of total cumulative energy savings of 405.9 GWh and demand savings of 62.5 MW. Approved spending is \$33,210,000 during 2016; \$34,020,000 during 2017; and \$34,920,000 during 2018.
2. The Board approves the Supply Agreement for electricity efficiency and conservation activities between E1 and NSPI made as of the 5<sup>th</sup> day of October, 2015 and effective as of the 1<sup>st</sup> day of January, 2016, attached as Schedule "A".
3. If at any time during this 2016-18 period E1 determines that it cannot achieve the target energy or demand savings, then an application to adjust those targets must be filed with the Board.
4. The Board approves the Consensus Agreement without amendment which was signed by E1, NSPI, the CA, the SBA, the EAC, the AEC and the Industrial Group, and is attached as Schedule "B".
5. In accordance with the Consensus Agreement, unresolved items are to be submitted to the Board no later than June 30, 2016 for determination.
6. The Board accepts E1's August 4, 2015 Q2 filing of the update on the status of 2014 evaluation and verification recommendations.
7. E1 is to file the results of its review regarding possible financing of deferrals by November 16, 2015.
8. NSPI is to file its proposed accounting treatment and cost recovery for 2015 DSM programs and 2016-18 DSM programs by November 30, 2015.
9. The Board directs E1 to undertake research and make recommendations on a more rigorous program for determining incentives, which is to be filed by June 30, 2016, provided that any revisions can be implemented shortly thereafter and any long-term contracts with embedded incentives preserve the right to vary such incentives.
10. NSPI and E1 are to jointly file their collaborative report on locational DSM efforts (i.e. geotargeting) and associated locational avoided costs by December 31, 2016.
11. The Board finds that the TRC test for cost effectiveness screening is to remain in place for the time being.
12. The Board directs E1, in future applications, to provide one or more alternate scenarios of DSM budgets for the Board to consider, and NSPI is to provide rate impact analysis on those scenarios.

**DATED** at Halifax, Nova Scotia, this 7<sup>th</sup> day of October, 2015.

  
Clerk of the Board

SCHEDULE "A"

*RM*



**Supply Agreement for  
Electricity Efficiency and Conservation Activities**

**Between**

**Nova Scotia Power Incorporated**

**and**

**EfficiencyOne**

**Effective Date – January 1, 2016**

## Table of Contents

1.	INTERPRETATION .....	1
2.	TERM & RESERVATION OF RIGHTS .....	5
3.	ELECTRICITY EFFICIENCY and CONSERVATION ACTIVITIES .....	5
4.	PRICE & PAYMENT .....	6
5.	NOTIFICATION OF SIGNIFICANT CHANGES .....	6
6.	SAFETY .....	7
7.	PROTECTION OF PROPERTY.....	7
8.	ENVIRONMENT .....	7
9.	EFFICIENCYONE'S COVENANTS .....	7
10.	SUBCONTRACTORS .....	8
11.	CONFIDENTIAL AND PERSONAL INFORMATION.....	9
12.	PERFORMANCE REQUIREMENTS AND EVALUATIONS .....	9
13.	FORCE MAJEURE.....	9
14.	INDEMNITY.....	10
15.	LIMIT OF LIABILITY.....	10
16.	INSURANCE .....	11
17.	INTELLECTUAL PROPERTY.....	12
18.	LIENS AND CLAIMS .....	12
19.	DISPUTE RESOLUTION.....	13
20.	DEFAULT AND TERMINATION .....	13
21.	NOTIFICATIONS.....	15
22.	AUDIT AND INSPECTION .....	16
23.	ASSIGNMENT.....	16
24.	SHARING OF DATA AND INFORMATION.....	16
25.	COORDINATION MEETINGS AND REPORTS.....	16
26.	GENERAL .....	17

27. SURVIVAL .....18

**List of Schedules** \_\_\_\_\_

- Schedule "A": Electricity Efficiency and Conservation Activities
- Schedule "B": Compensation
- Schedule "C": Performance Requirements
- Schedule "D": Confidentiality Agreement
- Schedule "E": Approved EECA Plan

**THIS AGREEMENT** made as of the 5<sup>th</sup> day of October, 2015 and effective as of the 1st day of January, 2016 (the "**Effective Date**").

BETWEEN:

**NOVA SCOTIA POWER INCORPORATED**,  
a body corporate, organized under the laws  
of the Province of Nova Scotia

(hereinafter called "**NSPI**")

- and -

**EFFICIENCYONE**,  
a body corporate, organized under the laws of  
Canada

(hereinafter called "**EfficiencyOne**")

**WHEREAS:**

- A. EfficiencyOne and NSPI are both public utilities pursuant to the Act; and
- B. Pursuant to the Act, EfficiencyOne has the exclusive right to supply NSPI with reasonably available, cost-effective Electricity Efficiency and Conservation Activities as the Franchise Holder; and
- C. Pursuant to the Act, NSPI is obligated to undertake cost-effective Electricity Efficiency and Conservation Activities that are reasonably available in an effort to reduce costs for its customers; and
- D. Pursuant to the Act, NSPI shall meet its obligations by entering into an agreement with the Franchise Holder for the supply of cost-effective Electricity Efficiency and Conservation Activities.

**NOW THEREFORE** witnesses that in consideration of the premises and the mutual covenants and obligations herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

**1. INTERPRETATION**

1.1 The following terms shall be interpreted as follows in this Agreement:

- (a) "**Act**" shall mean the *Public Utilities Act*, R.S.N.S. 1989, c.380, as amended from time to time.
- (b) "**Agreement**" means this agreement between NSPI and EfficiencyOne including all Schedules attached hereto.
- (c) "**Business Day**" means Monday to Friday, except federal, provincial, and civic holidays within the Province of Nova Scotia.

- (d) **"Consequential Losses"** means consequential, special, incidental, multiple, exemplary or punitive damages including lost profits, whether such claim of lost profits is categorized as indirect, direct or consequential damages or under any alternative theory of recovery.
- (e) **"Contract Documents"** means without limitation, the following documents, including any amendments thereto agreed in writing by the parties:
  - (i) this Agreement; and
  - (ii) all Schedules to the Agreement.
- (f) **"Contract Price"** has the meaning ascribed to it in Section 4.1.
- (g) **"EECA Plan"** means the plan prepared by EfficiencyOne and approved by the UARB and attached hereto as Schedule "E".
- (h) **"Electricity Efficiency and Conservation Activities"** or **"EECA"** means the electricity efficiency and conservation activities as identified in Schedule "A" attached hereto.
- (i) **"Event of Default"** has the meaning ascribed to it in Section 20.4.
- (j) **"Environmental Laws"** means all applicable federal, provincial, regional, municipal or local laws with respect to environmental matters contained in the statutes, regulations, rules, standards, requirements, ordinances, policies, guidelines, orders, approvals, notices, permits or directives having the force of law, in effect as at the date hereof and as may be brought into effect at future date.
- (k) **"Force Majeure Event"** means any event or circumstance not reasonably within the control of the Party affected which wholly or partly prevents the performance by that Party of its obligations under this Agreement, provided that such Party is in good faith unable to perform such obligations by any commercially reasonable substitute. A Force Majeure Event includes acts of God, war, riot, fire, explosion, flood, hurricane, epidemics, acts of governmental authorities, acts of terrorism. Notwithstanding anything else contained herein, a Force Majeure Event excludes (a) any event or circumstance causing direct or indirect delay in, or failure to perform any of a Party's obligations under this Agreement, attributable to a lack of reasonable diligence on the part of a Party or on the part of any vendor or subcontractor of a Party, including any event or circumstance which a Party or any vendor or subcontractor, acting diligently, could reasonably have been expected to foresee, avoid or overcome in the performance of its obligations; and (b) any event or circumstance caused by the breach of a Party's obligations or the fault or negligence of a Party or the fault or negligence of any vendor or subcontractor, or by violation of applicable laws or regulations by a Party or any of a Party's vendors or subcontractors. For certainty, adverse weather of any kind other than events specified above shall not be considered a Force Majeure Event.
- (l) **"Franchise"** has the meaning ascribed to it in the Act.
- (m) **"Franchise Holder"** has the meaning ascribed to it in the Act.



- (n) **"Governmental Authority"** means any federal, provincial, regional, municipal or local government or authority or other political subdivision thereof and entity or person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government.
- (o) **"Hazardous Substances"** means any substance or material that is prohibited, controlled or regulated by any Governmental Authority pursuant to Environmental Laws, including any contaminants, pollutants, petroleum or other hydrocarbons and their derivatives and by-products, dangerous substances or goods, including asbestos, liquid wastes, special wastes, toxic substances, hazardous or toxic chemicals, hazardous wastes, hazardous materials or hazardous substances as defined in or pursuant to any Environmental Law, or any substance or material not inherently hazardous but which would, in sufficient quantities, be hazardous.
- (p) **"Indemnified Costs"** means all liabilities, claims, actions, causes of action, judgments, orders, damages, costs (including those incurred in connection with any investigation of site conditions or any clean-up, environmental remediation, removal or restoration work), expenses (including all reasonable consultant, expert and legal fees and expenses), fines, penalties, losses, or any resulting damages, harm or injuries to the person or property of any third parties or to any natural resources and for which the indemnified party is liable and has incurred losses. Without limiting the foregoing, Indemnified Costs shall include:
  - (i) the costs of defending and/or counterclaiming or claiming over and against third parties in such manner as the indemnified party in its sole discretion may determine;
  - (ii) the costs relating to any governmental investigation, proceeding or claim; and
  - (iii) any costs, liabilities or damages arising out of a settlement of a claim by the indemnified party, with or without the consent of the indemnifying party.
- (q) **"Law"** means the common law, the law of equity and all federal or provincial statutes or municipal by-laws and all regulations, orders, directives, permits and licenses thereunder, which apply to or otherwise affect NSPI or EfficiencyOne with respect to the supply of the EECA, or the property of NSPI or EfficiencyOne, real or personal, or any part thereof, including the Act and all environmental, occupational, health and safety laws.
- (r) **"Liens Indemnities"** has the meaning ascribed to it in Section 18.1.
- (s) **"Liens and Claims"** has the meaning ascribed to it in Section 18.1.
- (t) **"Minister"** has the meaning ascribed to it in the Act.
- (u) **"Party"** means either EfficiencyOne or NSPI. **"Parties"** means EfficiencyOne and NSPI.
- (v) **"Personal Information"** shall mean the information provided by NSPI to EfficiencyOne pursuant to Section 79K of the Act.

- (w) **"Release"** or **"Released"** means a releasing, adding, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migrating, dispersing, dispensing, disposing or dumping.
- (x) **"Significant Changes"** means any proposed change to the EECA Plan for which the UARB orders or directs EfficiencyOne to obtain the approval of the UARB prior to the implementation of such proposed change.
- (y) **"Subcontractor"** means any contractor, supplier or consultant hired by EfficiencyOne in accordance with this Agreement to perform any portion of the EECA.
- (z) **"Term"** has the meaning ascribed to it in Section 2.1.
- (aa) **"UARB"** means the Nova Scotia Utility and Review Board.

1.2 Unless otherwise specified in this Agreement or unless the context otherwise requires:

- (a) words of any gender include each other gender;
- (b) using the singular or plural number also include the plural or singular number, respectively;
- (c) the insertion of headings in this Agreement is for convenience only and shall not be construed so as to affect the interpretation or construction of this Agreement;
- (d) the terms "hereof," "herein," "hereto," "hereunder" and words of similar or like import refer to this entire Agreement and not to any particular Section, Schedule or other subdivision of this Agreement;
- (e) references to a particular "Section" or "Schedule" are, unless otherwise noted, references to that Section of, or Schedule to this Agreement;
- (f) the words "include," "includes" and "including" shall be deemed to be followed by "without limitation" or "but not limited to";
- (g) references to any applicable law, legislation or regulation shall be construed as a reference to such law, legislation or regulation as each may be in effect from time to time;
- (h) references to any agreement or document (including this Agreement) shall (i) include all Schedules, appendices, and other attachments thereto, and (ii) be construed at the particular time as a reference to such agreement or document as amended, modified or supplemented and in effect from time to time and shall include a reference to any document which amends, modifies or supplements it, or is entered into, made or given pursuant to or in accordance with its terms;
- (i) references to (i) days shall refer to calendar days unless Business Day is specified, (ii) weeks and months shall refer to calendar weeks and months, respectively, and (iii) years shall refer to calendar years;
- (j) in computing any period of time prescribed or allowed under this Agreement, the day of the act, event or default from which the designated period of time begins

to run shall be included. If the last day of the period so computed is not a Business Day, then the period shall run until the close of business on the next Business Day;

- (k) the Contract Documents are complementary, and what is required by any one shall be as binding as if required by all;
- (l) words and abbreviations which have well known technical or trade meanings are used in the Contract Documents in accordance with such recognized meanings; and
- (m) as both Parties were actively involved in preparing the terms and conditions of this Agreement and as they both had access to and relied upon counsel in this process, there shall be no presumption that any one or the other Party prepared this Agreement and no provision of this Agreement shall be construed against either Party based upon the process of preparation of proposals and drafts of the Agreement.

1.3 If there is a conflict within the Agreement, the order of precedence of documents, from highest to lowest, shall be:

- (a) Sections 1 to 27;
- (b) Schedule "A" – Electricity Efficiency and Conservation Activities; and
- (c) all other Schedules.

## **2. TERM & RESERVATION OF RIGHTS**

2.1 The term of this Agreement shall be three (3) years from the Effective Date and shall automatically terminate on December 31, 2018 unless terminated earlier in accordance with the terms of this Agreement and the Act (the "Term").

2.2 During the Term, NSPI shall purchase from EfficiencyOne and EfficiencyOne shall supply to NSPI, the EECA in accordance with the terms and conditions of this Agreement and the Act.

2.3 Notwithstanding anything contained herein, and subject to any requirement for review or approval by the UARB, nothing contained in this Agreement shall in any way effect the rights of NSPI pursuant to Section 79I(3) of the Act.

## **3. ELECTRICITY EFFICIENCY and CONSERVATION ACTIVITIES**

3.1 For the Term of this Agreement, EfficiencyOne will,

- (a) provide the EECA in accordance with this Agreement;
- (b) provide sufficient resources to enable EfficiencyOne to perform its obligations on time and in accordance with this Agreement;
- (c) carry out the EECA in a professional, expeditious and economical manner, in accordance with the Act;

- (d) manage the EECA in an efficient manner; and
- (e) perform and supply the EECA in a safe and environmentally sound manner and in compliance with applicable Law.

3.2 The Parties acknowledge and agree that EfficiencyOne shall be solely responsible for the delivery of the EECA Plan. For greater certainty and notwithstanding the attachment of the EECA Plan as Schedule “E” – Approved EECA Plan, NSPI shall have no liability with respect to the EECA Plan saving and excepting any liability which may arise as a result of NSPI’s failure to comply with the Act.

#### **4. PRICE & PAYMENT**

4.1 NSPI agrees to pay EfficiencyOne for EECA as set out in Schedule “B” – Compensation (the “**Contract Price**”).

4.2 The Contract Price shall constitute full compensation for the EECA, and no additional compensation shall be payable to EfficiencyOne arising out or resulting from any productivity losses, overhead or indirect costs or other costs and expenses of any kind whatsoever.

4.3 NSPI shall make monthly payments on the first Business Day of each month in accordance with Schedule “B” to EfficiencyOne on account of the Contract Price when due, together with applicable HST. EfficiencyOne will submit an invoice to NSPI in advance of the payment date referenced in Schedule “B”.

4.4 Unless otherwise indicated all dollar amounts referred to in this Agreement are in lawful money of Canada.

4.5 If applicable, payments shall be subject to harmonized sales tax (as defined in the *Excise Tax Act (Canada)*) (“**HST**”). No additional taxes (foreign or domestic), customs, duties or brokerage fees shall apply.

4.6 If applicable, NSPI will withhold from payments to EfficiencyOne any amounts required to be withheld under applicable Laws and treaties in respect of services rendered in Canada by a non-resident and may remit them to the relevant authority. Where available, statutory withholding may be waived if EfficiencyOne delivers to NSPI a formal waiver of the withholding requirement issued and signed by Canada Revenue Agency. The Parties shall cooperate at all times to ensure that all proper withholdings are deducted from payments and if any withholdings are overlooked then such withholdings may be deducted from later payments.

#### **5. NOTIFICATION OF SIGNIFICANT CHANGES**

5.1 EfficiencyOne shall provide notice of Significant Changes to NSPI at the same time as EfficiencyOne makes application to the UARB for the approval of the Significant Changes. Subject to the terms of the Act and the general discretion of the UARB under the Act, NSPI shall, have the right to make written submissions to the UARB on any such Significant Changes to the EECA Plan.

**6. SAFETY**

- 6.1 EfficiencyOne shall at all times be responsible for safety and loss management in the supply or performance of the EECA.
- 6.2 EfficiencyOne shall ensure that all employees, Subcontractors, agents and representatives of EfficiencyOne comply with all federal, provincial and municipal health, safety and environmental statutes, regulations, policies and guidelines and all health, safety and environmental rules as prescribed by EfficiencyOne.

**7. PROTECTION OF PROPERTY**

- 7.1 EfficiencyOne shall take all commercially reasonable steps to protect the property of NSPI's customers and other third parties from damage which may occur as the result of the performance of the EECA.
- 7.2 Should EfficiencyOne damage the property of NSPI's customers or property of other third parties while performing the EECA, EfficiencyOne shall make good such damage at EfficiencyOne's expense and shall indemnify NSPI from and against all liabilities, claims, damages, settlements, awards, costs, expenses and proceedings incurred by NSPI or its servants, employees and/or agents in respect of such damage, except to the extent such damage occurs as a result of the negligent acts of NSPI or those for which NSPI is responsible at Law.

**8. ENVIRONMENT**

- 8.1 EfficiencyOne and its Subcontractors shall at all times comply with all Environmental Laws that apply in any way to the supply or performance of the EECA. EfficiencyOne and its Subcontractors shall not cause, permit or suffer the Release of a Hazardous Substance in contravention of any Environmental Laws.
- 8.2 Notwithstanding any other provision in this Agreement (and in addition to any other right to indemnity held by NSPI under the terms of the Agreement) EfficiencyOne shall indemnify NSPI, NSPI's parent, their respective subsidiaries, affiliates and related companies, and their respective officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from and against any and all Indemnified Costs resulting from any Release of any Hazardous Substance which is caused or contributed to by EfficiencyOne or its Subcontractors or any breach of any Environmental Law by EfficiencyOne or its Subcontractors.

**9. EFFICIENCYONE'S COVENANTS**

- 9.1 EfficiencyOne warrants, covenants and agrees with NSPI that:
  - (a) it has all requisite capacity and authority to execute, deliver and perform its obligations under this Agreement;
  - (b) this Agreement has been duly and validly executed and delivered by EfficiencyOne and constitutes a legal, valid and binding obligation of EfficiencyOne enforceable against EfficiencyOne in accordance with its terms;
  - (c) to its knowledge, there is no matter, thing or event, including without limitation, any litigation, proceeding, breach, default or financial circumstance that would

adversely affect EfficiencyOne's ability to perform its obligations under this Agreement;

- (d) it will furnish all labour, materials, products, tools, and other necessary components necessary to perform and provide the EECA, unless otherwise provided herein;
- (e) it shall diligently perform or cause to be performed the EECA in a proper and workmanlike manner;
- (f) it has the skills, expertise and resources to carry out the EECA and to comply, observe and perform the obligations to which it is subject in accordance with the terms of this Agreement;
- (g) prior to commencing any work hereunder, it shall obtain and maintain all permits, licenses and notices that a prudent supplier acting in accordance with industry standards would be required to obtain, maintain and provide in comparable circumstances and shall comply with all applicable Laws, ordinances, rules, regulations, codes and orders of any and all authorities having jurisdiction which are or become in force during the Term in respect of the EECA;
- (h) it will comply with applicable federal, provincial and municipal statutes, regulations and bylaws pertaining to the EECA performed by or on behalf of EfficiencyOne under this Agreement. EfficiencyOne shall be responsible for ensuring similar compliance by any suppliers and Subcontractors;
- (i) it is the Franchise Holder pursuant to the Act;
- (j) it is not a non-resident of Canada for the purposes of the *Income Tax Act*;
- (k) it will execute or cause to be made, done and executed all further acts, deeds, assurances, agreements, instruments or other documents as may be reasonably required to ensure fulfillment of the terms of this Agreement;
- (l) the EECA shall be delivered and performed by individuals duly licensed and authorized by Law, if applicable, to perform said undertakings;
- (m) the EECA shall be delivered and performed solely by EfficiencyOne or its Subcontractors and EfficiencyOne acknowledges that EfficiencyOne shall at all times remain responsible for the proper completion of this Agreement; and
- (n) upon becoming aware of a potential disruption having a material impact in the supply of the EECA, EfficiencyOne shall provide notification to the UARB and NSPI.

## **10. SUBCONTRACTORS**

- 10.1 EfficiencyOne shall be permitted to subcontract the performance of any part of the EECA without the prior written approval of NSPI.
- 10.2 Where EfficiencyOne subcontracts any part of the EECA, EfficiencyOne shall preserve and protect the rights of the Parties under this Agreement with respect to the EECA to be supplied or performed under subcontract, and shall be as fully responsible to NSPI

for the acts and omissions of Subcontractors and of persons directly or indirectly employed by them, as if they were acts and omissions of persons directly employed by EfficiencyOne.

- 10.3 Nothing contained in the Contract Documents shall create a contractual relationship between a Subcontractor and NSPI.

## **11. CONFIDENTIAL AND PERSONAL INFORMATION**

- 11.1 The Parties have executed or agree to execute the confidentiality agreement attached hereto as Schedule "D" - Confidentiality ("**Confidentiality Agreement**").
- 11.2 EfficiencyOne shall be responsible for all physical and electronic security required to ensure the security of the Personal Information which has been provided by NSPI to EfficiencyOne.
- 11.3 EfficiencyOne shall indemnify and hold harmless NSPI for any liabilities, claims, damages, settlements, awards, costs, expenses and proceedings incurred by NSPI or its servants, employees and/or agents in consequence of EfficiencyOne's misuse of the Personal Information or any disclosure, whether intentional, inadvertent, negligent or otherwise of any of the Personal Information by EfficiencyOne contrary to the terms of this Agreement or the Act.

## **12. PERFORMANCE REQUIREMENTS AND EVALUATIONS**

- 12.1 EfficiencyOne's performance under the terms of this Agreement shall be measured in accordance with the performance requirements established by the UARB pursuant to Section 79M of the Act as set out in Schedule "C" – Performance Requirements.

## **13. FORCE MAJEURE**

- 13.1 Neither Party shall be in breach of its obligations under this Agreement where failure to perform or delay in performance of any obligation is due, wholly or in part, to a Force Majeure Event.
- 13.2 Each Party shall notify the other Party promptly of any Force Majeure Event and shall take reasonable steps to minimize the impact of the failure or the delay and to resolve the event or occurrence that has given rise to the Force Majeure Event in order to resume performance. The time for performing an obligation as a result of Force Majeure Event shall be extended for the period lost, subject to the condition that the Term of this Agreement shall not be extended as a result of any Force Majeure Event.
- 13.3 Each Party suffering a Force Majeure Event shall take, or cause to be taken, such action as may be necessary to void, or nullify, or otherwise to mitigate, in all material respects, the effects of such Force Majeure Event. The Parties shall take all reasonable steps to ensure normal performance under this Agreement, including the resumption of any disrupted obligations.
- 13.4 For certainty, in no case shall the failure or omission of EfficiencyOne to carry out or observe any of the terms, provisions, or conditions of this Agreement or any negligent act or omission of EfficiencyOne, or others for whom EfficiencyOne is responsible constitute an event of Force Majeure or result in an extension of the time to perform the EECA.

## **14. INDEMNITY**

- 14.1 EfficiencyOne shall assume all risk of loss, damage or injury, including death, to person or property, caused by its directors, officers, employees, Subcontractors, agents or representatives, and agrees not to make or bring any claim, action or demand against NSPI or its directors, officers, servants, agents, or employees in respect of such loss, damage or injury excepting such loss, damage or injury caused by the negligence or wilful misconduct of NSPI or NSPI's directors, officers, servants, agents or employees.
- 14.2 EfficiencyOne agrees to indemnify and save harmless NSPI, its directors, officers, servants, agents, or employees, and their heirs, executors, administrators, successors and assigns, or any of them, from and against any liabilities, losses, expenses (including legal costs on a solicitor-client basis), claims, demands, actions, and causes of action, whatsoever suffered by NSPI by reason of, or in any way arising out of or in connection with a breach of this Agreement by EfficiencyOne excepting only to the extent caused by the negligence or wilful misconduct of NSPI or NSPI's directors, officers, servants, agents or employees.
- 14.3 NSPI agrees to indemnify and save harmless EfficiencyOne, its directors, officers, servants, agents, or employees, and their heirs, executors, administrators, successors and assigns, or any of them, from and against any liabilities, losses, expenses (including legal costs on a solicitor-client basis), claims, demands, actions, and causes of action, whatsoever suffered by EfficiencyOne by reason of, or in any way arising out of or in connection with a breach of this Agreement by NSPI excepting only to the extent caused by the negligence or wilful misconduct of EfficiencyOne or EfficiencyOne's directors, officers, servants, agents or employees.
- 14.4 The provisions set forth in this Section shall apply and be effective with respect to any claim, cause of action, or legal theory whatsoever including without limitation, claims based upon breach of contract, failure to meet performance guarantees, tort (including negligence) and strict liability.
- 14.5 EfficiencyOne shall defend, indemnify and hold harmless NSPI from any claim, suit, cause of action, judgment, cost or expense (including legal fees) based on a claim by a third party that any intellectual property which is part of the EECA or supply or performance of EfficiencyOne's obligations under this Agreement infringes any patent, copyright, trade secret or other intellectual property right, provided the EfficiencyOne is promptly notified of such claim and is given complete authority for defense of same. EfficiencyOne shall pay all damages, costs and expenses resulting from such a claim, including legal fees and settlement costs, but shall not be responsible for any cost, expense or compromise incurred by NSPI without EfficiencyOne's prior consent.

## **15. LIMIT OF LIABILITY**

- 15.1 Neither Party shall be liable to the other Party for any Consequential Losses with respect to the performance or non-performance under this Agreement or for any actions undertaken in connection with or related to this Agreement.
- 15.2 EfficiencyOne's total liability to NSPI with respect to the performance or non-performance under this Agreement or for any actions undertaken in connection with or related to this Agreement shall be limited to the greater of the sum of two million dollars (\$2,000,000) or the proceeds of the applicable insurance policies taken out by



EfficiencyOne under this Agreement ("**EfficiencyOne Limit of Liability**") provided that the EfficiencyOne Limit of Liability shall not apply to:

- (a) indemnification of NSPI by EfficiencyOne under the terms of this Agreement for any third party claims (including but not limited to EfficiencyOne's obligations pursuant to Sections 7.2, 8.2, 11.3, 14.5 and 18.1);
- (b) any wilful misconduct or fraud of EfficiencyOne or its employees, agents or representatives; and
- (c) any obligation on the part of EfficiencyOne to refund in whole or in part the Contract Price pursuant to this Agreement or the Act.

15.3 NSPI's total liability to EfficiencyOne with respect to the performance or non-performance under this Agreement or for any actions undertaken in connection with or related to this Agreement shall be limited to the sum of two million dollars (\$2,000,000) ("**NSPI Limit of Liability**") provided that the NSPI Limit of Liability shall not apply to:

- (a) any wilful misconduct or fraud of NSPI or its employees, agents or representatives; and
- (b) NSPI's liability for payment of the Contract Price pursuant to the Agreement or the Act.

## 16. **INSURANCE**

16.1 EfficiencyOne shall obtain, maintain and pay for, during the entire Term of this Agreement, the following minimum insurance coverage as follows, such insurance as it relates to this Agreement shall be in a form and from an insurer acceptable to NSPI:

- (a) General liability insurance shall be in the name of EfficiencyOne and shall name NSPI as an additional insured and shall have limits of not less than five million dollars (\$5,000,000) inclusive per occurrence for bodily injury, death, and damage to property including loss of use thereof. Such insurance shall be primary and non-contributing with, and not in excess of, any other insurance available to NSPI.
- (b) Environmental impairment insurance with limits of not less than five million dollars (\$5,000,000);
- (c) Automobile liability insurance in respect of licensed vehicles shall have limits of not less than two million dollars (\$2,000,000) inclusive per occurrence for bodily injury, death, and damage to property. For automobiles not owned or operated by or on behalf of EfficiencyOne the insurance shall be in the form of a standard non-owned automobile policy and shall include standard contractual liability endorsement. For automobiles owned or operated by or on behalf of EfficiencyOne the insurance shall be in the form of a standard owner's form automobile policy and shall provide third party liability and accident benefits insurance covering licensed vehicles owned or operated by or on behalf of EfficiencyOne.
- (d) Property Insurance covering all loss of or damage to EfficiencyOne's property and equipment of EfficiencyOne or for which EfficiencyOne is legally liable or

responsible used in performance of the EECA for the full replacement value, which insurance shall not allow subrogation claims by the insurer against NSPI.

- (e) To the extent that the EECA includes the provision of professional services, professional liability errors and omissions insurance covering all claims arising out of errors and omissions of EfficiencyOne in the performance of professional services as part of the EECA with a limit of two million dollars (\$2,000,000). In the event other claims erode EfficiencyOne's professional errors and omissions insurance below two million dollars (\$2,000,000), in the annual aggregate, EfficiencyOne agrees to reinstate the limit.
- (f) Workers' compensation to the full extent required in Nova Scotia and wherever EfficiencyOne's personnel contracts of employment are made or are expressed to be made.

16.2 If EfficiencyOne fails to effect or keep in force any of the foregoing insurances, NSPI may, without prejudice to any other right or remedy, effect such insurance and pay the premiums due and recover the same as a deduction from any other monies due to EfficiencyOne under this Agreement.

16.3 EfficiencyOne shall be responsible to pay deductible amounts and for determining the deductible amount in respect of each policy. EfficiencyOne shall not violate, nor knowingly permit to be violated, any conditions of the policies maintained according to the provisions of this Section, and it shall be EfficiencyOne's duty and responsibility to impose upon each Subcontractor the same responsibilities and obligations imposed upon EfficiencyOne under such provisions.

16.4 EfficiencyOne agrees to provide proof of insurance to NSPI on an annual basis. Such proof shall be in the form of a certificate of insurance signed by EfficiencyOne's insurance broker.

## 17. INTELLECTUAL PROPERTY

17.1 NSPI acknowledges that all branding, trade and business marks of EfficiencyOne used in the course of provision of EECA pursuant to this Agreement, (the "EfficiencyOne Brands") are, and shall remain, the sole and exclusive property of EfficiencyOne and shall not be used by NSPI without EfficiencyOne's express consent. Upon termination of this Agreement, NSPI shall immediately upon instruction from EfficiencyOne return or destroy, as instructed by EfficiencyOne, the EfficiencyOne Brands.

17.2 Any trademarks, brands, logos or other branding or trade or business marks used in NSPI's business ("**NSPI Brands**") shall remain the sole and exclusive property of NSPI and shall not be used by EfficiencyOne for any purpose except in connection and as necessary for the provision of the EECA. Upon termination of this Agreement, EfficiencyOne shall immediately upon instruction from NSPI return or destroy, as instructed by NSPI, the NSPI Brands.

## 18. LIENS AND CLAIMS

18.1 EfficiencyOne shall indemnify and hold harmless NSPI, NSPI's parent and their subsidiaries and affiliates (collectively the "**Lien Indemnitees**" or singularly "**Lien Indemnitee**") and defend each of them from and against any and all losses and costs arising out of any and all claims for payment, liens, attachment or any other process,

filed against any property of the Lien Indemnitees by or in respect of a Subcontractor of any tier or any other party providing work, materials in respect of the EECA or any part thereof (referred to in this Section as “**Liens or Claims**”), including solicitor and client fees and expenses incurred by NSPI in discharging any such Liens or Claims or similar encumbrances.

- 18.2 EfficiencyOne shall discharge promptly any Liens or Claims. If EfficiencyOne does not promptly satisfactorily discharge such Liens or Claims, NSPI at its sole option may (i) require EfficiencyOne to pay, within five (5) Business Days after request by NSPI, or (ii) subject to any requirements of the *Builders’ Lien Act* of Nova Scotia, offset against any holdback or other amounts due or to become due to EfficiencyOne, all costs and expenses incurred by NSPI or other Lien Indemnitee in causing the release of, paying or settling such Liens or Claims. EfficiencyOne shall have the right to contest any such Liens or Claims, provided it first provides to NSPI a bond or other assurance of payment reasonably satisfactory to NSPI in the amount of such Liens or Claims and in form and substance reasonably satisfactory to NSPI. In no circumstance whatsoever shall NSPI be liable for a greater amount than the amount payable by NSPI to EfficiencyOne.

## **19. DISPUTE RESOLUTION**

- 19.1 In the event of a dispute in connection with this Agreement, a senior representative of EfficiencyOne and a senior representative of NSPI shall promptly meet to discuss and resolve the dispute and the Parties shall have thirty (30) days to resolve the dispute (or ten (10) days if either Party notifies the other Party that the matter requires urgent resolution).
- 19.2 Unless the parties agree otherwise, in the event resolution cannot be achieved in accordance with Section 19.1 of this Agreement, then such dispute or difference shall be referred to the UARB in accordance with Section 79P of the Act.
- 19.3 Notwithstanding any dispute, EfficiencyOne shall diligently carry out the EECA, and shall not suspend, impair, interfere with, restrict or discourage the prompt completion of any portion of the EECA, unless specifically authorized to do so by the UARB.

## **20. DEFAULT AND TERMINATION**

- 20.1 This Agreement may be terminated immediately by either Party, in whole or in part, upon the happening of one or more of the following events:
- (a) EfficiencyOne’s Franchise is terminated and the Agreement has not been assigned by the Minister; or
  - (b) The UARB approves the termination of the Agreement.

In the event of a termination pursuant to this Section 20.1, neither Party shall be entitled to any compensation or damages for any Consequential Losses as a result of such termination. Immediately upon receipt of such termination notice, EfficiencyOne will discontinue all EECA under this Agreement and will only finish such portions of the EECA as may be necessary to preserve and protect the EECA already in progress. Such termination does not relieve either Party from any of their respective obligations under this Agreement for EECA provided up to the date of termination. Any claim for payment by EfficiencyOne must be asserted within thirty (30) days from the date of such termination.

20.2 Notwithstanding any other provision in this Agreement, in the event this Agreement is terminated in accordance with Section 20.1(a), EfficiencyOne shall:

- (a) Immediately return all monies paid on account of the Contract Price which amounts have not been legitimately incurred or subject to contractual commitments for expenditure which cannot otherwise be mitigated to NSPI; and
- (b) Provide to NSPI all reasonable required termination assistance to allow the EECA provided under this Agreement to continue and to facilitate the orderly transition of the EECA to NSPI or any third party as directed by NSPI, provided that EfficiencyOne shall be entitled to commercially reasonable payment for such transition services on a time and material basis.

20.3 The Parties acknowledge that this Agreement is subject to the general supervision of the UARB.

20.4 A Party shall be determined to be in default of its obligations under this Agreement if (each a “**Event of Default**”):

- (a) it is in breach of any material term or condition of this Agreement, which breach is not cured by the Party within thirty (30) days after written notice from the other Party;
- (b) it assigns this Agreement other than as permitted by the Act and/or the UARB;
- (c) any representation or warranty made by either Party shall prove to be untrue when made in any material respect;
- (d) there is a sale, transfer or relinquishment, voluntary or involuntary, by operation of law or otherwise, of legal control of the business of either Party except for a transfer to a related corporation or a transfer resulting from a merger, acquisition, amalgamation or reorganization, or, in the case of EfficiencyOne, a change in the Membership of the corporation;
- (e) Either Party sells, transfers or assigns all or substantially all of its assets;
- (f) a petition in bankruptcy is filed with respect to either Party; or
- (g) any proceeding is commenced under any bankruptcy or insolvency legislation or under any other federal, state or provincial law relating to insolvency or bankruptcy, the adjudication of either Party as a bankrupt, the appointment by any competent court having jurisdiction of a temporary or permanent receiver, trustee or other officer having similar powers over either Party its business or assets, or the making of any assignment by either Party for the benefit of its creditors.

20.5 If a breach notified pursuant to Sections 20.4(a) cannot be corrected within the period required therein, the defaulting Party shall not be in breach or violation if it:

- (a) commences and diligently and continuously carries out the correction of the breach or violation within the specified time;

- (b) provides to the non-defaulting Party, and the UARB an acceptable plan for such correction; and
- (c) corrects the breach or violation in accordance with such plan.

20.6 Upon the occurrence of an Event of Default, the non-defaulting Party may apply to the UARB to terminate this Agreement in whole or in part.

## 21. NOTIFICATIONS

21.1 All notices to be given to either Party under this Agreement shall be written and addressed to the NSPI and to EfficiencyOne as follows:

To NSPI:

Nova Scotia Power Incorporated  
1223 Lower Water Street  
PO Box 910  
Halifax, NS B3J 3S8  
Attention: Corporate Secretary  
Facsimile: (902) 428-6171

To EfficiencyOne:

EfficiencyOne  
230 Brownlow Avenue  
Suite 300  
Dartmouth, NS B3B 0G5  
Attention: CEO  
Facsimile: (902) 470-3599

21.2 All notices may be sent by facsimile, a nationally recognized overnight courier service, first class mail or hand delivered. Notice shall be given when received by the addressee on a Business Day. In the absence of proof of the actual receipt date, the following presumptions will apply:

- (a) Notices sent by facsimile shall be presumed to have been received upon the sending Party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. (local time for the recipient) on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day.
- (b) Notice by overnight courier shall be presumed to have been received on the next Business Day after it was sent.
- (c) Notice by first class mail shall be presumed delivered five (5) Business Days after mailing.

21.3 Either Party may modify its address for notices by advance written notice to the other Party.

## **22. AUDIT AND INSPECTION**

22.1 EfficiencyOne shall, during the Term and for a period of thirty-six (36) months thereafter, keep accurate records of all EECA supplied to NSPI, as necessary to determine that the EECA was provided in accordance with the terms and conditions of this Agreement.

22.2 NSPI shall have the right to apply to the UARB to request access to any of the records referred to in 22.1.

22.3 NSPI shall have the right to apply to the UARB to inspect or observe the EECA at all times, whether using its own forces or those of a designated third party. EfficiencyOne shall facilitate such inspections and provide sufficient, safe and proper facilities at all times for inspection of the EECA.

## **23. ASSIGNMENT**

23.1 Neither Party shall assign all or any portion of this Agreement without the prior written approval of the UARB and/or the Minister as the situation requires.

## **24. SHARING OF DATA AND INFORMATION**

24.1 EfficiencyOne shall work co-operatively with NSPI to provide NSPI with information and data from time to time in order to assist NSPI with planning and load forecasting as may be reasonably required by NSPI. For greater certainty, such information and data shall be consistent with the past practices of the Parties.

24.2 In the event of a dispute regarding any request for information by NSPI, NSPI shall have the right to apply to the UARB to request access to the information and data referred to in 24.1.

## **25. COORDINATION MEETINGS AND REPORTS**

25.1 During the Term of this Agreement, EfficiencyOne shall prepare and deliver to the UARB and NSPI a quarterly report (the "**Quarterly Report**") in a form acceptable to the UARB.

25.2 EfficiencyOne shall prepare and deliver to the UARB and NSPI an annual report (the "**Report**") in a form acceptable to the UARB. For greater certainty, the Report shall summarize and provide details as to the EECA and milestones achieved in the prior year, contain a discussion and analysis of major discrepancies relative to the EECA Plan's intent and forecasts, EfficiencyOne's financial statement for the previous year with respect to the EECA, evaluation reports and a summary of planned versus actual savings and costs for each metric.

25.3 The Parties agree that ongoing coordination and regular communication between NSPI and EfficiencyOne is important in order to ensure effective planning. To that end, the Parties shall meet quarterly or as otherwise agreed upon to discuss the provision of the EECA.

25.4 Notwithstanding ss. 25(1) and (2), EfficiencyOne shall provide evaluation and reporting in accordance with s. 5 of the Consensus Agreement among EfficiencyOne, NSPI,

Consumer Advocate, Small Business Advocate, Industrial Group, Affordable Energy Coalition and Ecology Action Centre, dated June 16, 2015, pursuant to the UARB's Decision of August 12, 2015 (M06733).

**26. GENERAL**

- 26.1 This Agreement shall only be renewed in accordance with the provisions of the Act.
- 26.2 This Agreement shall extend to, be binding upon and enure to the benefit of the respective successors and permitted assigns of the Parties hereto.
- 26.3 EfficiencyOne will be an independent contractor. EfficiencyOne shall not act as an agent for NSPI, bind NSPI to any obligation with a third party, nor hold itself out as having authority to bind or obligate NSPI. None of the persons engaged by EfficiencyOne or any of its Subcontractors in the performance of the EECA will be considered employees of NSPI.
- 26.4 This Agreement shall be deemed to have been made in and shall be governed by, construed and interpreted in accordance with the laws of the Province of Nova Scotia and the laws of Canada, as applicable therein. Where the provisions of this Agreement or the Act permit or require a matter to be referred to or proceeded with before a court, or in any other case where the Parties bring a matter in respect of this Agreement before a court, the Parties irrevocably attorn to the jurisdiction of the Supreme Court of Nova Scotia.
- 26.5 No consent or waiver, express or implied, by any Party to this Agreement of any breach or default by any other Party in the performance of its obligations under this Agreement or of any of the terms, covenants or conditions of this Agreement shall be deemed or construed to be a consent or waiver of any subsequent or continuing breach or default in such Party's performance.
- 26.6 Time shall be of the essence for purposes of this Agreement.
- 26.7 This Agreement, upon approval by the UARB, shall represent the entire Agreement between the Parties with respect to the subject matter hereto and shall not be modified, varied or amended except by an instrument in writing signed by the Parties and approved by the UARB or as ordered or directed, by the UARB at any time.
- 26.8 Should any provision of the Agreement be declared by a judicial or other competent authority to be unenforceable, the remaining provisions of the Agreement shall remain in full force and effect.
- 26.9 The Parties acknowledge that this Agreement and all related documents shall be in English.
- 26.10 This Agreement may be executed by the Parties in counterparts, each of which when so executed and delivered shall be deemed to be an original and when taken together shall be deemed to be one and the same instrument. The electronic delivery, including, without limitation, by email or facsimile transmission, of any signed original of this Agreement shall be the same as the delivery of an original.

**27. SURVIVAL**

27.1 Subject to the provisions of the Act, all provisions of this Agreement which by their express terms or nature are continuing shall survive the expiration or termination of this Agreement, including, without limitation, this provision, and the provisions relating to the EECA Plan (s. 3.2), EfficiencyOne's covenants (s.9), confidentiality (s. 11), indemnity (s.14), intellectual property (s. 17), notification (s. 21) and general provisions (s. 26) as well as any provisions which are required to determine, or which exclude or limit, any liability or which are otherwise required to give effect to or interpret any such provisions which are continuing.

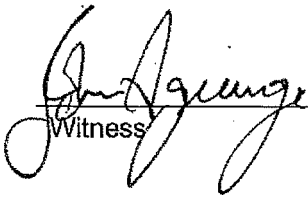
***[Remainder of page intentionally left blank]***



IN WITNESS THEREOF, the Parties have duly executed this Agreement, in duplicate, as of the date set forth above.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

**NOVA SCOTIA POWER INCORPORATED**

Per: \_\_\_\_\_

Name:

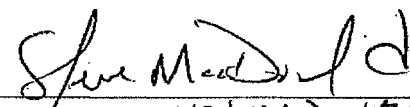
Title:

Per: \_\_\_\_\_

Name:

Title:

**EFFICIENCYONE**

Per:  \_\_\_\_\_

Name: STEPHEN MACDONALD


Title: CEO

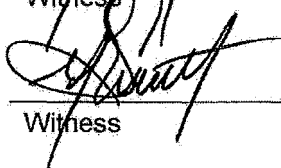
Per: \_\_\_\_\_

Name:

Title:

IN WITNESS THEREOF, the Parties have duly executed this Agreement, in duplicate, as of the date set forth above.

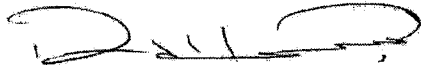
  
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**NOVA SCOTIA POWER INCORPORATED**

Per:   
\_\_\_\_\_  
Name: Robert J. S. Hanf  
Title: President and CEO

Per:   
\_\_\_\_\_  
Name: Wayne O'Connor  
Title: EVP, Operations

**EFFICIENCYONE**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

## SCHEDULE A

### ELECTRICITY EFFICIENCY AND CONSERVATION ACTIVITIES

The figure below identifies the scope of savings (3-year Cumulative Annual Net Energy and Net Peak Demand Savings) associated with carrying out EECAs over the Term.

	<b>Cumulative Annual Net Energy Savings at Generator over the Term (GWh)</b>	<b>Cumulative Annual Net Peak Demand Savings at Generator over the Term (MW)</b>
<b>Performance Targets *</b>	405.9	62.5

The Performance Targets will be achieved in accordance with the EECA Plan as set out in Schedule E and the Consensus Agreement as adopted by the Board.

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\* For certainty, in accordance with the performance requirements set out in Schedule "C" attached hereto, EfficiencyOne shall be deemed to be in substantial compliance with the approved Performance Targets if 90 percent (90%) or greater achievement is reached on both Performance Targets. If less than 90 percent (90%) of either Performance Target is achieved, a regulatory process will be triggered.

**SCHEDULE B**  
**COMPENSATION**

(Page 1 of 2)

**I. Net Contract Price**

The figure below identifies the net Contract Price to be paid by NSPI allocated for each year of the Term.

	2016	2017	2018	Total
UARB Approved	\$33,210,000	\$34,020,000	\$34,920,000	\$102,150,000
Balance Adjustment <sup>1</sup>	(\$8,518,030)	nil	nil	(\$8,518,030)
Net Contract Price to be Paid by NPI <sup>2</sup>	\$24,691,970	\$34,020,000	\$34,920,000	\$93,631,970

The Parties acknowledge that any surplus realized by EfficiencyOne in delivering the Performance Targets at the end of the Term shall be reported to the UARB and refunded to NSPI unless EfficiencyOne is directed otherwise by the UARB.

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1 The term "Balance Adjustment" refers to the 2014 surplus of DSM funds in the amount of \$8,518,030 that is to be returned by EfficiencyOne in accordance with the UARB-approved cost-allocation methodology. The return of the Balance Adjustment is to be accounted for through a reduction in the payment of the 2016 portion of the Contract Price.

2 The Parties acknowledge that the portion of Contract Price approved by the UARB for 2016 is to be reduced by the amount of the Balance Adjustment. As such, the amount to be paid by NSPI to EfficiencyOne in 2016 shall not exceed \$24,691,970 and the total amount to be paid by NSPI over the Term shall not exceed \$93,631,970.

**SCHEDULE B (PAGE 2 OF 2)**

**COMPENSATION**

**II. Payments**

In accordance with Section 4.3 of the Agreement, the monthly payments to be made by NSPI to EfficiencyOne over the Term, accounting for the Balance Adjustment, shall be as set out below. The monthly payment amounts referred to following are exclusive of required HST. HST shall be remitted to EfficiencyOne in addition to these monthly amounts.

On the First Business Day of:	2016	2017 <sup>3</sup>	2018 <sup>4</sup>	Total
January	\$0	\$2,900,436	\$2,977,167	
February	\$0	\$2,641,338	\$2,711,215	
March	\$0	\$2,833,345	\$2,908,301	
April	\$2,596,090	\$3,010,077	\$3,089,709	
May	\$2,483,522	\$2,544,095	\$2,611,400	
June	\$2,307,508	\$2,363,788	\$2,426,322	
July	\$2,368,453	\$2,426,220	\$2,490,406	
August	\$2,388,522	\$2,446,778	\$2,511,508	
September	\$3,029,041	\$3,102,920	\$3,185,008	
October	\$3,953,232	\$4,049,652	\$4,156,786	
November	\$2,796,894	\$2,865,111	\$2,940,907	
December	\$2,768,709	\$2,836,238	\$2,911,271	
<b>Total</b>	<b>\$24,691,970</b>	<b>\$34,020,000</b>	<b>\$34,920,000</b>	<b>\$93,631,970</b>

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3 The 2017 payments owing by NSPI will be reduced to reflect any 2015 under-spending by EfficiencyOne, if any, against the 2015 UARB-approved DSM Resource Plan, together with any 2014 Balance Adjustment interest earned in 2015.

4 The 2018 payments owing by NSPI will be reduced to reflect any Balance Adjustment interest earned in 2016.

## SCHEDULE C

### PERFORMANCE REQUIREMENTS

(PAGE 1 OF 2)

I. UARB-APPROVED PERFORMANCE TARGETS, THRESHOLDS, AND INDICATORS<sup>5</sup>

a) Performance Targets and Thresholds:

- i. Performance Targets are set over the three-year contract period, rather than annually.
- ii. EfficiencyOne is deemed to be in substantial compliance with the UARB-approved Plan Performance Targets if 90 percent or greater achievement is reached on the two Performance Targets as listed below. If less than 90 percent of any Performance Target is achieved, a regulatory process will be triggered.

b) Performance Targets consist of:

- i. Cumulative annual energy savings
- ii. Cumulative annual peak demand savings

c) Performance Indicators (for UARB reporting) consist of:

- i. Annual incremental energy savings (reported by program)
- ii. Cumulative annual energy savings (reported by program)
- iii. Lifetime savings (once methodology is developed) (reported by program)
- iv. Annual incremental peak demand savings (reported by program)
- v. Cumulative annual peak demand savings (reported by program)
- vi. Total ratepayer benefits (once methodology is developed)
- vii. Total spending (reported by program and rate class)
- viii. Customer satisfaction

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<sup>5</sup> These Performance Targets, Indicators and Thresholds were established under the terms of the Consensus Agreement among EfficiencyOne, NSPI, the Consumer Advocate, the Small Business Advocate, the Industrial Group, the Affordable Energy Coalition and the Ecology Action Centre, dated June 16, 2015, which was approved by the UARB in its Decision dated August 12, 2015 (M06733).

**SCHEDULE C (PAGE 2 OF 2)**  
**PERFORMANCE REQUIREMENTS**

- ix. An analysis of the impact on rates through the implementation of the 2016-2018 programs will be included as part of EfficiencyOne's historical-looking rate and bill impact analysis, filed by October 31<sup>st</sup> of each year.
  - x. Reporting on low income program participation, expenditures, and savings through a variety of methods, including estimation based on geographic census information.
- d) For the Performance Indicators reported by program, EfficiencyOne will also report on them by rate class, as soon as available, but not later than within its Q3 report to the UARB.





**SCHEDULE D**

**CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT**

THIS CONFIDENTIALITY AGREEMENT made this 5<sup>th</sup> day of October, 2015

Between:

EfficiencyOne, hereinafter "EfficiencyOne"

Party of the First Part

And

Nova Scotia Power Incorporated, hereinafter "NSPI"

Party of the Second Part

Whereas the Parties have entered into a Supply Agreement for Electricity Efficiency and Conservation Activities made effective as of January 1, 2016 ("Supply Agreement") whereby Efficiency One is to provide EECA (as that term is defined in the Supply Agreement) to NSPI;

And whereas in accordance with the Supply Agreement, and the Electricity Efficiency and Conservation Act (Nova Scotia) and the Public Utilities Act (Nova Scotia) (together hereinafter referred to as the "Legislation"), and as may be directed by the Nova Scotia Utility and Review Board, and as may be further agreed between the Parties, the Parties will be receiving, reviewing, and analyzing Confidential Information from each other;

And whereas the Parties wish to clarify the manner in which any Confidential Information disclosed by one Party ("Disclosing Party") to the other is to be treated by the recipient of the Confidential Information ("Recipient");

In consideration of the agreements of the Parties set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### **Confidential Information**

1. The Parties agree that for the purpose of this Agreement "Confidential Information" means all information, regardless of the form in which it is communicated or maintained and prepared by the Disclosing Party, and is disclosed directly or indirectly to the Recipient, pursuant to the Supply Agreement, the Legislation, as directed by the Nova Scotia Utility and Review Board or as otherwise agreed between the Parties. Confidential Information includes, but is not limited to the following: all reports analyses, notes, memoranda, correspondence, spreadsheets, drawings, survey plans, maps, contracts, commercial arrangements, intellectual property, trade secrets, corporate strategies, business plans or other information that is based on, contain or reflect any Confidential Information, material, whether printed or electronic, which has been designated by the Disclosing Party as confidential information, including proprietary information and other commercially sensitive information. This includes but is not limited to information which has been or may be filed with the Nova Scotia Utility and Review Board ("the Board") in confidence in answer to Information Requests and any further material that may be filed with the Board in confidence whether in response to future Information Requests or otherwise, and whether printed or electronic. Confidential Information shall also include any explanation or other information provided by either Party to the Recipient concerning the foregoing and which has been identified by the Party providing the information as confidential at the time it is initially provided, whether printed or electronic. Confidential Information may also include any password or other information necessary to access electronic copies of Confidential Information.

### **Permitted Scope of Use**

2. The Recipient may use the Confidential Information solely for the purposes of providing or receiving EECA, as the case may be, in accordance with the Legislation and the Supply Agreement and for no other reason or purpose.

### **No Obligation to Disclose**

3. This Agreement does not obligate either Party to disclose any Confidential Information to the other.

### **Protection of Confidential Information**

4. The Recipient shall hold the Confidential Information in strict confidence and shall strictly protect the Confidential Information from all harm, loss, theft, reproduction and unauthorized access, employing at least the same degree of care that the Recipient employs to protect its own confidential information of a similar nature, but in any event, not less than reasonable care. The Recipient shall ensure that such Confidential Information is not disclosed, published,

released, transferred or otherwise made available in any form to, for the use or benefit of, any person except as provided in this Agreement.

### **Acknowledgements**

5. The Recipient acknowledges that the Confidential Information is confidential and a trade secret and is owned by the Disclosing Party and is highly valuable and material to the interests, business and affairs of the Disclosing Party and that any unauthorized disclosure thereof by the Recipient would be detrimental to the Disclosing Party.

### **Permitted Disclosures**

6. The Recipient shall be permitted to disclose relevant aspects of the Confidential Information to its employees and professional advisors to the extent that such disclosure is reasonably necessary for the performance of its duties and obligations; provided, however, that prior to such disclosure the Recipient shall inform such persons and parties of the confidential nature of the Confidential Information and each such person or party signs the undertaking attached to this Confidentiality Agreement. The Recipient shall inform the Disclosing Party of the name of each person to whom it has disclosed the Confidential Information in accordance with this provision and shall provide to the Disclosing Party the signed undertaking. The Recipient shall be fully responsible for ensuring that any such persons to whom it discloses the Confidential Information complies with the confidentiality obligations contained in this Agreement and shall be liable for any breach of this Agreement by such persons.
7. The non-disclosure obligations in this Agreement shall not restrict any disclosure by the Recipient pursuant to any applicable law or an order of any court of competent jurisdiction or regulatory body with regulatory responsibilities over the Recipient, provided that the Recipient shall provide the Disclosing Party with prompt prior written notice of its obligation to disclose so that the Disclosing Party may seek a protective order or other appropriate remedy concerning the disclosure of its Confidential Information and/or waive compliance with the confidentiality provisions of this Agreement. In addition, the Recipient shall take reasonable steps, to the extent permitted by law, to remove from the Confidential Information that is required to be disclosed, any information that is commercially sensitive to the Disclosing Party. In the event of an order for disclosure by a court of competent jurisdiction or regulatory body with regulatory responsibilities over the Recipient, the Recipient shall first notify the Disclosing Party of such order and allow the Disclosing Party not less than ten (10) days to remove any such information that is commercially sensitive.

### **Term**

8. The term of this Agreement shall commence on the effective date of the Supply Agreement unless superceded by another form of writing, and notwithstanding the return of any Confidential Information or any other event, shall continue in full

force and effect for a period of FIVE (5) years from the effective date of this Agreement.

### **Equitable Remedy**

9. The Recipient acknowledges that any unauthorized use of the Confidential Information or any breach of its obligations under this Agreement will result in irreparable harm to the Disclosing Party which cannot be adequately compensated for by damages. Neither the Recipient, nor any term in this Agreement, shall interfere with, delay, or prevent the Disclosing Party from seeking an interim and interlocutory equitable remedy to enforce any provision of this Agreement. The Recipient agrees not to oppose an application for equitable relief by the Disclosing Party in such circumstances. Any such relief or remedy shall not be exclusive, but shall be in addition to all other available legal or equitable remedies. The Recipient agrees that the provisions of this Section are fair and reasonable in the commercial circumstances of this Agreement. This Article shall survive the termination of this Agreement.

### **Return of Information**

10. On the earlier of either thirty (30) days following the termination of the Supply Agreement or at the written request of the Disclosing Party (and unless superceded by another form of writing), the Recipient shall return or destroy (at the Disclosing Party's direction) and delete from all electronic devices all Confidential Information provided to it, including all copies (and all notes and documents prepared by the Recipient that may incorporate same) and still in the Recipient's possession (and otherwise under its control or in the possession of other persons to whom it has been provided as permitted hereunder) and, if requested by the Disclosing Party, shall provide written confirmation to the Disclosing Party to that effect. Notwithstanding the forgoing, the Recipient shall be entitled to retain the Confidential Information in one legal file copy that may be retained solely for the determination of its legal obligations under this Agreement.

### **Residual Information**

11. The Recipient or its designate or any other person having access to the Confidential Information pursuant to this Agreement shall not, during and after the termination of this Agreement, use in its business any Residual Information. "Residual Information" means the ideas, know-how and techniques that would be retained in the unaided memory of an ordinary person skilled in the art, not intent on appropriating the proprietary information of the disclosing party, as a result of such person's access to, use, review, evaluation, or testing of the Confidential Information of the disclosing party for the purposes described herein. An employee's memory is unaided if the employee has not intentionally memorized the Confidential Information for the purpose of retaining and subsequently using or disclosing it.

**Limited Rights**

12. The Recipient agrees that no rights are granted to Recipient other than the limited rights to use the Confidential Information on the terms of this Agreement. For certainty, no license is granted under this Agreement (directly or indirectly) under any patent, discovery, copyright, or other intellectual or industrial property right now or in the future.

**Indemnity**

13. The Recipient shall indemnify and hold the Disclosing Party harmless from any and all loss, liability, cost or expense (including, without limitation, solicitor's costs on a solicitor and client basis and all other costs of defence) caused in whole or in part by the Recipient's breach of any provision of this Agreement. This Article shall survive the termination of this Agreement.

**Governing Law**

14. This Agreement is governed and shall be construed in accordance with the laws of the Province of Nova Scotia.

**General Provisions**

15. This Agreement is binding on the Parties, their administrators, successors, executors and assigns.

Executed and delivered this 5<sup>th</sup> day of October, 2015.

EfficiencyOne

Nova Scotia Power Incorporated

By: Stephen Macdonald

By: \_\_\_\_\_

Name: STEPHEN MACDONALD

Name:

Title: CEO

Title:

**Limited Rights**

12. The Recipient agrees that no rights are granted to Recipient other than the limited rights to use the Confidential Information on the terms of this Agreement. For certainty, no license is granted under this Agreement (directly or indirectly) under any patent, discovery, copyright, or other intellectual or industrial property right now or in the future.

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15. This Agreement is binding on the Parties, their administrators, successors, executors and assigns.

Executed and delivered this 5<sup>TH</sup> day of OCTOBER, 2015.

EfficiencyOne

Nova Scotia Power Incorporated

By: \_\_\_\_\_

By: 

Name:

Name: **Wayne O'Connor**

Title:

Title:

**EVP, Operations**

SCHEDULE "A" to CONFIDENTIALITY AGREEMENT

**UNDERTAKING**

I \_\_\_\_\_, HAVE READ AND AGREE TO ABIDE AND AM BOUND BY THE TERMS AND CONDITIONS SET OUT IN THE CONFIDENTIALITY AGREEMENT DATED THE \_\_\_\_ DAY OF \_\_\_\_\_ BETWEEN EFFICIENCYONE AND NOVA SCOTIA POWER INCORPORATED.

Dated the \_\_\_\_ day of \_\_\_\_\_ 2014.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name:  
Recipient Designate

**SCHEDULE E**

**APPROVED EECA PLAN**

[As approved by the UARB]



**Schedule E**

**EECA Plan**

**(2016-2018 DSM Resource Plan)**

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**TABLE OF CONTENTS**

1. INTRODUCTION ..... 1

    1.1 2016-2018 DSM Resource Plan Savings and Investment ..... 2

    1.2 Programs and Services Overview ..... 6

2. RESIDENTIAL PROGRAMS AND SERVICES ..... 8

    2.1 Efficient Product Rebates (Residential)..... 8

    2.2 Existing Residential ..... 9

        2.2.1. Low-Income Initiatives ..... 10

    2.3 New Residential ..... 11

    2.4 Update on Energy Saving Actions ..... 12

3. BUSINESS, NON-PROFIT AND INSTITUTIONAL (BNI) PROGRAMS AND SERVICES ..... 13

    3.1 Efficient Product Rebates (BNI)..... 14

    3.2 Custom Incentives..... 15

    3.3 Direct Installation..... 17

4. ENABLING STRATEGIES ..... 19

    4.1 Education and Outreach ..... 20

    4.2 Development and Research..... 23

        4.2.1 Primary and Secondary Research .....23

        4.2.2 Development of DSM Information Management and Program Execution Systems .....24

    4.3 Other Enabling Strategies ..... 25

        4.3.1 Property-Assessed Clean Energy (PACE) Financing .....25

        4.3.2 Working with Governments.....26

        4.3.3 Capacity Building .....26

        4.3.4 Regulatory Affairs .....27

## TABLE OF FIGURES

Figure 1.1 - 2016-2018 DSM Resource Plan Investment and Savings.....	3
Figure 1.2 - 2016 DSM Resource Plan Investment and Savings.....	4
Figure 1.3 - 2017 DSM Resource Plan Investment and Savings.....	5
Figure 1.4 - 2018 DSM Resource Plan Savings and Investment.....	6

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## 1. INTRODUCTION

The 2016-2018 Demand-Side Management (DSM) Resource Plan has been developed based on ENS's growing experience and history in delivering successful DSM programs and services to Nova Scotians. As part of the process, ENS engaged Navigant Consulting and Dunskey Energy Consulting to assist in developing inputs and proposals to the Plan.

The proposed Plan represents a comprehensive suite of program and service offerings for Nova Scotia electricity users. The programs and services included in the Plan have been developed, assessed and modelled based on ENS's experience delivering DSM, expected market conditions, technology availability, and customer behaviour. As with prior DSM Plans, this Application is not an implementation Plan; it has been developed for planning and cost-effectiveness testing purposes. Over the course of the three-year implementation period, ENS anticipates the need to make appropriate mid-course adjustments that react to lessons learned through program implementation experience and independent evaluations, as well as circumstances such as changing market conditions, changes in technology and changes in codes and standards. Such flexibility to make appropriate mid-course adjustments is an essential tool in providing ENS with the ability to achieve its overall energy and demand savings performance requirements. When making such adjustments, ENS will follow the process agreed to by Stakeholders in the Consensus Settlement Agreement and as ordered by the Board in its August 12, 2015 Decision.

The Plan addresses affordability by balancing multiple short- and long-term considerations, including bill impacts, rate impacts, and long-term planning analyses. The Plan maintains a balanced portfolio of program and service offerings, enabling opportunities for participation by a broad range of Nova Scotian electricity consumers while ensuring that capacity additions to the electrical system are avoided, per NS Power's IRP and subsequent analyses.

This Plan has been modified to comply with the Utility and Review Board (UARB)'s August 12, 2015 Decision, which set annual DSM investment amounts of \$33.21 million,

1 \$34.02 million and \$34.92 million for 2016, 2017, and 2018 respectively. It outlines  
2 ENS's proposed programs and strategies for achieving the overall energy and demand  
3 savings targets as specified in EfficiencyOne's original 2016-2018 DSM Resource Plan.  
4 However, program-level investment and energy and demand savings targets have been  
5 revised to achieve the overall result within the approved investment level.

6  
7 In 2016-2018, ENS's programs and services will continue to advance a personalized,  
8 customer-centric approach, aimed at reducing the need for customers to research exactly  
9 which technologies are eligible for rebates and incentives.

10  
11 Enabling Strategies will also continue to be included in ENS's portfolio in 2016-2018. As  
12 in past years, Enabling Strategies activities have the objectives of strengthening Nova  
13 Scotia's energy efficiency culture, allowing for best-practice evolution of program and  
14 service offerings, encouraging market transformation for efficient technologies, and  
15 allowing for ENS to continue to complete and advance its regulatory obligations.

16  
17 Section Two of this Plan describes ENS's proposed Residential programs. Section Three  
18 describes the proposed programs for Business, Non-Profit and Institutional (BNI)  
19 customers. Enabling Strategies are discussed in Section Four.

20  
21 **1.1 2016-2018 DSM Resource Plan Savings and Investment**

22 Figure 1.1.1 provides a summary of the energy savings and investment for the 2016-2018  
23 DSM Resource Plan.

1

**Figure 1.1 - 2016-2018 DSM Resource Plan Investment and Savings**

Year	Investment (\$ million)	Lifetime Benefits (\$ million) <sup>a</sup>	Incremental Annual Net Energy Savings at Generator (GWh)	Incremental Annual Net Demand Savings at Generator (MW)	Total Resource Cost Test (TRC) <sup>b</sup>	Program Administrator Cost Test (PAC) <sup>c</sup>
2016	33.21	126.6	133.1	20.4	2.3	4.2
2017	34.02	138.7	136.5	21.0	2.4	4.4
2018	34.92	148.3	136.3	21.0	2.5	4.6
<b>Total</b>	<b>102.15</b>	<b>413.5</b>	<b>405.9</b>	<b>62.5</b>	<b>2.4</b>	<b>4.4</b>

2

Investment is expressed in nominal dollars. Columns may not add correctly, due to rounding.

Annual avoided costs, calculated using ENSC's DSM Potential Study at the Base Level, were provided by NS Power. They include the cost of energy and capacity.

<sup>a</sup> Lifetime benefits are expressed as the net present value of the avoided costs, including energy and capacity, over the life of the program measures.

<sup>b</sup> TRC is a benefit/cost ratio comparing lifetime benefits to the sum of ENS's and participants' costs.

<sup>c</sup> PAC is a benefit/cost ratio comparing lifetime benefits to ENS's costs.



1 Figures 1.2, 1.3, and 1.4 provide the program level investment and savings for 2016,  
 2 2017, and 2018, respectively.

3  
 4 **Figure 1.2 - 2016 DSM Resource Plan Investment and Savings**

2016	Investment (\$ million)	Lifetime Benefits (\$ million) <sup>a</sup>	Incremental Annual Net Energy Savings at Generator (GWh)	Incremental Annual Net Demand Savings at Generator (MW)	Total Resource Cost Test (TRC) <sup>b</sup>	Program Administrator Cost Test (PAC) <sup>c</sup>
<b>Residential DSM Programs</b>						
Efficient Product Rebates	3.20	6.2	12.4	1.1	1.5	1.9
Existing Residential	9.47	47.2	39.4	7.1	2.5	5.0
<i>Low Income Participation</i> <sup>d</sup>	1.77		7.6	1.0		
New Residential	1.23	7.2	3.8	1.1	2.5	5.9
<b>Business, Nonprofit and Institutional Programs</b>						
Efficient Product Rebates	5.89	24.6	33.1	5.3	2.3	4.2
Custom Incentives	6.79	33.4	34.0	4.3	3.0	4.9
Direct Installation	3.80	8.1	10.5	1.4	1.2	2.1
<b>Enabling Strategies</b>						
Education and Outreach	1.32					
Development and Research	1.00					
Other Enabling Strategies	0.52					
<b>Total</b>	<b>33.21</b>	<b>126.6</b>	<b>133.1</b>	<b>20.4</b>	<b>2.3</b>	<b>4.2</b>

Investment is expressed in 2016 dollars. Columns may not add correctly, due to rounding.

Annual avoided costs, calculated using ENSC's DSM Potential Study at the Base Level, were provided by NS Power. They include the cost of energy and capacity.

<sup>a</sup> Lifetime benefits are expressed as the net present value of the avoided costs, including energy and capacity, over the life of the program measures.

<sup>b</sup> TRC is a benefit/cost ratio comparing lifetime benefits to the sum of ENS's and participants' costs.

<sup>c</sup> PAC is a benefit/cost ratio comparing lifetime benefits to ENS's costs.

<sup>d</sup> Reflects ENS's planned participation by low income customers, per the 2015 DSM Resource Settlement Agreement.

5

1

**Figure 1.3 - 2017 DSM Resource Plan Investment and Savings**

2017	Investment (\$ million)	Lifetime Benefits (\$ million) <sup>a</sup>	Incremental Annual Net Energy Savings at Generator (GWh)	Incremental Annual Net Demand Savings at Generator (MW)	Total Resource Cost Test (TRC) <sup>b</sup>	Program Administrator Cost Test (PAC) <sup>c</sup>
<b>Residential DSM Programs</b>						
Efficient Product Rebates	3.31	6.7	12.6	1.1	1.5	2.0
Existing Residential	10.62	53.7	43.3	7.9	2.5	5.1
<i>Low Income Participation<sup>d</sup></i>	<i>1.82</i>		<i>7.8</i>	<i>1.0</i>		
New Residential	1.28	7.7	3.9	1.1	2.6	6.2
<b>Business, Nonprofit and Institutional Programs</b>						
Efficient Product Rebates	5.65	26.6	32.6	5.3	2.5	4.7
Custom Incentives	6.49	35.6	34.1	4.3	3.2	5.3
Direct Installation	3.62	8.3	10.0	1.4	1.2	2.3
<b>Enabling Strategies</b>						
Education and Outreach	1.43					
Development and Research	1.04					
Other Enabling Strategies	0.58					
<b>Total</b>	<b>34.02</b>	<b>138.7</b>	<b>136.5</b>	<b>21.0</b>	<b>2.4</b>	<b>4.4</b>

Investment is expressed in 2017 dollars. Columns may not add correctly, due to rounding.

Annual avoided costs, calculated using ENSC's DSM Potential Study at the Base Level, were provided by NS Power. They include the cost of energy and capacity.

<sup>a</sup> Lifetime benefits are expressed as the net present value of the avoided costs, including energy and capacity, over the life of the program measures.

<sup>b</sup> TRC is a benefit/cost ratio comparing lifetime benefits to the sum of ENS's and participants' costs.

<sup>c</sup> PAC is a benefit/cost ratio comparing lifetime benefits to ENS's costs.

<sup>d</sup> Reflects ENS's planned participation by low income customers, per the 2015 DSM Resource Settlement Agreement.

1 **Figure 1.4 - 2018 DSM Resource Plan Savings and Investment**

2018	Investment (\$ million)	Lifetime Benefits (\$ million) <sup>a</sup>	Incremental Annual Net Energy Savings at Generator (GWh)	Incremental Annual Net Demand Savings at Generator (MW)	Total Resource Cost Test (TRC) <sup>b</sup>	Program Administrator Cost Test (PAC) <sup>c</sup>
<b>Residential DSM Programs</b>						
Efficient Product Rebates	3.42	7.2	12.6	1.1	1.6	2.1
Existing Residential	11.10	55.7	43.0	7.9	2.5	5.1
<i>Low Income Participation<sup>d</sup></i>	1.75		7.3	0.9		
New Residential	1.32	8.4	4.0	1.1	2.8	6.5
<b>Business, Nonprofit and Institutional Programs</b>						
Efficient Product Rebates	5.69	30.3	32.6	5.2	2.5	4.9
Custom Incentives	6.49	38.1	34.4	4.3	3.4	5.6
Direct Installation	3.62	8.5	9.6	1.3	1.3	2.4
<b>Enabling Strategies</b>						
Education and Outreach	1.43					
Development and Research	1.09					
Other Enabling Strategies	0.76					
<b>Total</b>	<b>34.92</b>	<b>148.3</b>	<b>136.3</b>	<b>21.0</b>	<b>2.5</b>	<b>4.6</b>

Investment is expressed in 2018 dollars. Columns may not add correctly, due to rounding. Annual avoided costs, calculated using ENSC’s DSM Potential Study at the Base Level, were provided by NS Power. They include the cost of energy and capacity.

<sup>a</sup> Lifetime benefits are expressed as the net present value of the avoided costs, including energy and capacity, over the life of the program measures.

<sup>b</sup> TRC is a benefit/cost ratio comparing lifetime benefits to the sum of ENS’s and participants’ costs.

<sup>c</sup> PAC is a benefit/cost ratio comparing lifetime benefits to ENS’s costs.

<sup>d</sup> Reflects ENS’s planned participation by low income customers, per the 2015 DSM Resource Settlement Agreement.

2

3

4 **1.2 Programs and Services Overview**

5

6 The 2016-2018 Residential and Business, Non-profit and Institutional (BNI) programs  
7 are expected to include ongoing gradual evolution in order to address the following  
8 objectives:

9

- 10 • Respond to changes in the market, such as updated codes and standards;
- 11 • Incorporate the findings of ongoing research, such as assessments of technology  
12 penetration;
- 13 • Maintain access to programs and services across residential, commercial and  
14 industrial ratepayers;

- 
- 1           • Provide the stability required to ensure availability of industry capacity to achieve  
2           future targets; and  
3           • Continue to sustain a reasonable balance of investments between the Residential  
4           and BNI sectors.  
5

6           ENS will focus on program and service changes aimed to further improve the customer's  
7           experience and simplify participation. These changes will also allow more industry  
8           partners to supply services and products through programs, and encourage participants to  
9           achieve more energy savings with each transaction. ENS is referring to this evolution as  
10          Programs 2.0. It will include alterations to marketing and delivery that provide access to  
11          all services through a one-window approach; enhanced information technology for  
12          tracking of participant information; and more flexible support options that allow tailoring  
13          of incentives and technical support to match the requirements of each participant. These  
14          modifications are being researched, designed and piloted in Q1 through Q3 of 2015, with  
15          rollout expected in Q4 and full implementation expected in 2016. The intent is to enhance  
16          the customer experience while streamlining access to programs and services, without  
17          altering the inherent structure and operation of ENS programs and services. ENS will  
18          continue to report on its results under the programs proposed in this Application  
19          throughout 2016-2018.

---

## 2. RESIDENTIAL PROGRAMS AND SERVICES

Efficiency Nova Scotia's Residential sector offerings include a variety of initiatives to help homeowners, renters and landlords become more efficient in their use of electricity. Educating potential participants about the benefits of energy efficiency is an important component of these initiatives to help encourage them to take action. Incentives vary from the installation of low-cost energy efficiency products at no charge, to incenting the removal of old inefficient appliances, to offering incentives to upgrade or replace inefficient products. For customers, interactions with ENS will range from instant rebates for purchasing an efficient product at a participating retail location to an in-depth test and assessment of the energy use of the home.

Through its Residential service offerings, ENS educates participants on the benefits of taking part in more than one energy efficiency service. The intent is to help participants save electricity by encouraging multiple actions to help them maximize their energy savings. For reporting purposes, the services offered to Nova Scotians are categorized into the following programs:

- Efficient Product Rebates
- Existing Residential
- New Residential

Efficiency Nova Scotia will continue to enhance its Residential services over the three-year agreement, in response to new product availability, market shifts, client needs, and program evaluations.

### 2.1 Efficient Product Rebates (Residential)

Nova Scotians benefit from energy savings by using products that are energy efficient. In many cases, this involves making a decision to purchase an energy efficient product, often at a higher upfront cost, rather than a less-expensive and less-efficient product. ENS

1 will continue to work with retailers and distributors to provide a service that educates  
2 consumers and helps to offset the higher price of the more efficient product.

3  
4 Incentives for energy-efficient products are available to all Nova Scotians. Financial  
5 incentives are offered for selected products that meet or exceed the ENERGY STAR®  
6 level of performance. For some energy efficient products for which ENERGY STAR®  
7 certification is not currently available, rebates will continue to be offered to help  
8 participants reduce electricity use. Eligible measures include a variety of lighting  
9 products, appliances and electronics.

10  
11 ENS will continue to offer a financial incentive, no-charge pick-up and recycling of  
12 inefficient, but functioning, large appliances such as refrigerators, freezers and room air  
13 conditioners. This service permanently removes old, inefficient appliances from use in  
14 Nova Scotia, eliminating them as a load on the system. While ENS has already removed  
15 many of these appliances from homes, more recently, a growing number of landlords are  
16 taking part. ENS is also exploring options for offering incentives for energy-efficient  
17 appliances to participants with multiple inefficient ones.

## 18 19 **2.2 Existing Residential**

20  
21 The Existing Residential program is designed to help reduce electricity consumption for  
22 space and water heating and lighting. The goal is to promote cost-effective energy  
23 efficiency improvements to Nova Scotia's housing stock of single detached houses,  
24 duplexes, rental housing, mobile/mini homes and multi-family buildings. Most Existing  
25 Residential services are offered to participants via service organizations, contracted to  
26 deliver the services following a competitive Request for Proposals process.

27  
28 A broad range of incentives are available for Nova Scotians, including rebates or  
29 financing for electrically heated buildings to improve the efficiency of the structure.  
30 These particular types of upgrades are especially valuable within older buildings as they  
31 provide energy savings as well as non-energy benefits, such as increased comfort in the

1 residence and a potential increase in resale value. In addition, rebates or financing are  
2 offered for installing efficient heating systems, which can lead to reductions in electricity  
3 use for both space and water heating systems. Additional services include the installation  
4 of efficient lighting and other low-cost products at no cost to participants.

5  
6 Services are offered province-wide and modifications can be made over time to include  
7 new products and additional offerings. Recent examples include offering a personal  
8 energy planner to participants in the Home Energy Assessment service, working with a  
9 municipality to pilot financing on property tax bills for energy efficiency improvements  
10 to the home, and providing a searchable list of trade partners on the ENS website to help  
11 Nova Scotians seek out contractors to conduct various upgrades. ENS will continue to  
12 conduct promotional activities with contractors across the province to raise awareness  
13 and provide details on how they can be added to the list.

#### 14 15 **2.2.1. Low-Income Initiatives**

16  
17 Beginning in 2015, NS Power shareholders are committing up to \$37 million dollars over  
18 10 years to support the HomeWarming program. The program, in partnership with the  
19 Clean Foundation, will offer free energy efficiency improvements to nearly 6,600 low-  
20 income homeowners who heat with electricity. Intake will be completed by ENS.

21  
22 ENS will continue to explore and support opportunities for electricity efficiency upgrades  
23 for low-income Nova Scotians through its direct installation service. In addition, in 2015,  
24 Efficiency Nova Scotia is working with Housing Nova Scotia to develop a building-  
25 envelope initiative for multi-unit residential buildings under their authority. This  
26 initiative is expected to continue into the 2016-2018 time period.

27  
28 In 2015, ENS will be conducting research on low-income rental accommodations with  
29 electric heating, per ENSC's 2015 DSM Resource Plan Settlement Agreement, approved  
30 by the UARB on September 8, 2014. Additional opportunities for low-income services  
31 will be assessed and developed, where appropriate, following this research.

---

### 1   **2.3   New Residential**

2  
3       To encourage energy efficient design and use of energy efficient products in new  
4 residential construction, Efficiency Nova Scotia's New Residential services are offered to  
5 builders and owners of new houses, including row housing and semi-detached houses, in  
6 Nova Scotia. It is expected that incentives will continue to focus on having homes meet  
7 or exceed the ENERGY STAR<sup>®</sup> certification. The Federal government, in consultation  
8 with building professionals, developed the ENERGY STAR<sup>®</sup> for New Homes standard.  
9 On average, homes achieving the ENERGY STAR<sup>®</sup> certification use 20 percent less  
10 energy than a home built to the Nova Scotia Building Code.

11  
12       As part of the current service, energy assessments and design advice are provided to  
13 builders before construction. Data on the planned building envelope, equipment and  
14 minimum Building Code standards are used to determine the expected energy  
15 consumption of the home. A Certified Energy Advisor then recommends options that will  
16 improve the energy efficiency of the home design, allowing for informed decisions. After  
17 the home is constructed, a final inspection and rating is provided.

18  
19       The Nova Scotia Building Code requires all new houses to either comply with specific  
20 prescriptive requirements or perform better than the modeled energy use of a reference  
21 home that meets those prescriptive requirements. Based on an Efficiency Nova Scotia  
22 study, a new home meeting prescriptive requirements achieves an EnerGuide score of 78.  
23 The EnerGuide rating system is maintained by Natural Resources Canada and uses  
24 software to estimate the energy use of a home. The ENS service requires the house to  
25 achieve an ENERGY STAR<sup>®</sup> certification or an EnerGuide score of 85 (or higher) to  
26 obtain incentives. If the minimum Building Code requirement for new homes is updated,  
27 Efficiency Nova Scotia will adapt its offering as appropriate to continually encourage  
28 further energy efficiency improvements in new homes.



---

**2.4 Update on Energy Saving Actions**

Efficiency Nova Scotia's 2016-2018 DSM Resource Plan does not include a target or investment for Energy Saving Actions. ENS piloted the Home Energy Report in 2013, and it will continue until early 2016. ENS is not proposing to continue the pilot due to near-term affordability considerations, which have resulted in a lower DSM Plan level than was approved for 2013 and 2014. Given the need to reduce and/or eliminate programs to address these considerations, the Home Energy Report was determined to have the least negative impact on ENS's ability to deliver a balanced portfolio and on industry capacity, despite its success in terms of achievement of energy savings.

Behaviour-based energy efficiency activities are important components to a balanced portfolio of options for customers. While ENS is not able to offer the Home Energy Report due to short-term affordability considerations, ENS may continue exploring ways in which it can offer services for customers in this area. As specific plans have not been developed, ENS may conduct research and development through its Enabling Strategies during 2016-2018.

---

1 **3. BUSINESS, NON-PROFIT AND INSTITUTIONAL (BNI) PROGRAMS AND**  
2 **SERVICES**

3  
4 Efficiency Nova Scotia's Business, Non-Profit and Institutional (BNI) programs are  
5 designed to provide customers with easy access to energy efficiency solutions. The  
6 programs and services combine technical and financial support to improve the demand  
7 for, and affordability of, energy efficient technologies and practices. Aspects of these  
8 programs and services also encourage incorporation of energy efficiency into customers'  
9 business practices and long-term plans. The BNI initiatives are packaged, wherever  
10 possible, to provide a full suite of solutions for a range of businesses, industries and  
11 institutions to facilitate a 'one-window' service-based approach.

12  
13 In the lead-up to 2016, ENS will continue to adopt and modify the BNI programs to  
14 better meet changing market demands. The focus will shift by adopting a more customer-  
15 centric approach when delivering services, providing BNI customers with a simplified,  
16 one-window approach to maximizing energy savings. These efforts are intended to  
17 enhance access to ENS services, maintain high levels of customer satisfaction and  
18 maximize energy savings per customer. ENS will also continue to leverage the support of  
19 qualified industry professionals to deliver BNI initiatives.

20  
21 While ENS continues to adapt programs and services to improve the customer  
22 experience, reporting will continue to be based on the following three services:

- 23  
24
- 25 • Efficient Product Rebates
  - 26 • Custom Incentives
  - 27 • Direct Installation
- 28

---

### 1 3.1 Efficient Product Rebates (BNI)

2  
3 The BNI Efficient Product Rebates program provides financial incentives, through  
4 prescriptive rebates, on a wide variety of products to encourage BNI end-users to reduce  
5 electrical energy consumption and peak demand. Customers are able to select from a  
6 predefined list of energy efficient measures that correspond to a per-unit rebate. The  
7 program is designed to provide end users with a streamlined application process and  
8 quick turnaround times. Rebates are delivered through mail-in applications or discounts  
9 at the point of purchase through a province-wide network of distribution partners.

10  
11 As in 2015, supported measures include lighting; heating, ventilation and air conditioning  
12 (HVAC); adjustable speed drives for motors; refrigeration; compressed air; food service  
13 and hospitality equipment; agricultural and food processing equipment; and IT  
14 technologies. Supported measures will continue to change as the market transforms and  
15 more efficient technologies are available. For example, in 2016, ENS expects to begin  
16 offering rebates for pumping technologies employing electronically commutated motors.

17  
18 The objectives of this program are to:

- 19
- 20 • Raise customer awareness of energy efficient products;
  - 21 • Encourage the use of energy efficient products in the design of new  
22 facilities and retrofits;
  - 23 • Increase the market penetration of supported technologies; and
  - 24 • Transform the market by raising the efficiency of standard practices.

25 Commercial, industrial, not-for-profit and institutional customers are eligible to  
26 participate in the program.

27  
28 In 2016-2018, the Efficient Product Rebates (BNI) program will continue to leverage the  
29 support of qualified trade partners, expand on rebate offerings as the market transforms,  
30 and continue to work on ways to streamline the program.

---

### 1 3.2 Custom Incentives

2  
3 The Custom Incentives program provides financial incentives to help commercial,  
4 industrial, not-for-profit and institutional customers reduce their electrical energy  
5 consumption and peak demand. Incentives are provided to help eligible participants  
6 complete energy audits and implement technical changes within their existing or new  
7 facilities.

8  
9 The program is designed to accommodate a wide range of customer requirements.  
10 Delivery of the program is structured so customers may participate by incorporating  
11 energy-efficient options or designs at any phase of their project, regardless of their  
12 current level of energy management expertise. Project energy and peak demand savings  
13 are assessed on a case-by-case basis. The program supports engineering studies and  
14 installation of energy efficient measures for which operation and characteristics are not  
15 conducive to a prescriptive rebate structure. Eligible measures within the Custom  
16 Incentives program must save electrical energy and vary based on custom applications.  
17 Measures may include energy efficiency upgrades to existing or new compressed air,  
18 refrigeration, heating, cooling, and ventilation systems as well as other technologies not  
19 offered through other ENS programs. ENS also intends to offer feasibility study support,  
20 incentives and financing for cogeneration projects that are not participating in the  
21 Province's Community Access Feed-In Tariff (COMFIT) program. Supported measures  
22 are categorized in the following ways:

- 23
- 24 • New or replacement-on-burnout: intended for equipment replacement, new  
25 construction and renovation and expansion, by which the program can result in  
26 higher efficiency choices than would otherwise have been purchased;
  - 27 • Discretionary retrofit: efficient components intended to replace existing equipment  
28 before the end of its useful life as a cost-effective retrofit.
- 29

30 Technical and financial services supporting the above measures are intended to  
31 achieve the following:

---

- 
- 1           • Provide rebates for initial scoping studies and incentives or technical assistance  
2           towards detailed engineering assessments for specific retrofit projects at new or  
3           existing facilities;
- 4           • Provide project financing through low- or no-interest repayable loans, or, where  
5           available, other financing options to support the program;
- 6           • Direct program participants to qualified third-party sources of technical expertise;
- 7           • Promote the implementation of complex and innovative energy efficient technology  
8           and designs in BNI facilities;
- 9           • Provide incentives for the use of best practices in commissioning existing building  
10          systems; and
- 11          • Influence electrical energy conservation projects within Nova Scotia.

12

13          The implementation of energy efficiency measures is conducted by third parties or  
14          qualified participant staff, as selected by the participant. The recruitment of participants  
15          depends largely upon direct contact, referrals and networking among industry  
16          professionals.

17

18          While all BNI customers will remain eligible to participate in the Custom Incentives  
19          program, ENS will continue refinement of services for targeted retrofit and new  
20          construction market segments. This is in alignment with ENS's customer-focused  
21          approach, where custom and prescriptive services can provide a unique solution for the  
22          needs of specific types of participants. Targeted markets could include retail services,  
23          schools, universities, small-large commercial buildings and industrial facilities.

24

25          The New Construction component of the Custom Incentives program is expected to  
26          continue providing participants with financial and technical support to design and build  
27          efficient facilities. ENS will explore the promotion of a cost-effective structured  
28          commissioning process for new buildings. A structured commissioning process would  
29          offer technical support and guidance for participants who are interested in  
30          commissioning their new building to ensure it operates as designed. Financing will be  
31          made available as an incentive option for these participants. Additional implementation

---

1 incentives through the Custom Incentives and Efficient Products Rebates programs will  
2 be available for measures that qualify but that are not supported by the New  
3 Construction Program.

4  
5 The Custom Incentives program will continue to provide offerings tailored for market  
6 segments and targeted end uses such as the following:

- 7 • Retro-commissioning;
- 8 • Compressed air system optimization;
- 9 • Support for Energy Management Information Systems (EMIS), which are  
10 performance management tools that allow organizations to monitor and analyze their  
11 energy usage;
- 12 • Strategic Energy Management (SEM), which provides organizations with a  
13 comprehensive approach to energy management through continuous business  
14 process and energy performance improvements, along with organizational culture  
15 change;
- 16 • Onsite Energy Manager (OEM) service, which places a trained technical energy  
17 manager at a customer's workplace in order to have a dedicated person for the  
18 development of energy management plans and to facilitate participation in ENS  
19 programs; and
- 20 • Employee engagement.

21  
22 ENS also expects to continue developing services for new market segments, recruiting  
23 additional trade partners and building expertise through program staff training as  
24 required.

### 25 26 **3.3 Direct Installation**

27  
28 The Direct Installation program is designed to assist small to medium-sized businesses  
29 reduce their energy consumption through access to no-charge energy audit services and  
30 financial incentives for energy-efficient technologies. Changes to the program allow

---

1 customers to work with a contractor of their choice to implement energy efficiency  
2 upgrades. ENS has developed an Efficiency Partner Network, which provides customers  
3 with a list of qualified contractors in their area; however, customers are not limited to  
4 hiring from this list.

5  
6 Typical customers of the program are small offices, retail shops, convenience and grocery  
7 stores, service stations, restaurants, lodgings, non-profit and community organizations,  
8 churches, cafeterias, pharmacies, bakeries and farms. Because the program targets  
9 smaller customers, many of which are independent operations with small staff  
10 complements, much of the value of the service will be provided through the initial energy  
11 audits and access to the new Efficiency Partner Network.

12  
13 In 2016-2018, supported measures are expected to be largely consistent with the Efficient  
14 Product Rebates (BNI) Program. Relevant examples of measures include lighting  
15 technologies, HVAC equipment, refrigeration equipment, food service and hospitality  
16 equipment, as well as agricultural and food processing equipment.

17  
18 In 2016-2018, ENS will continue its evolution of the Direct Installation program to meet  
19 changing market demands. This will provide access to more products to meet a variety of  
20 needs and support the ongoing development of industry capacity.

---

**4. ENABLING STRATEGIES**

Enabling Strategies are essential to ensure that ENS is able to increase awareness about energy efficiency, evolve services, and provide information and tools needed by Nova Scotians to make informed energy choices. This, in turn, drives program participation and fosters market transformation. Enabling Strategies include the following categories:

- Education and Outreach;
- Development and Research; and
- Other Enabling Strategies:
  - Property-Assessed Clean Energy (PACE) Financing Support;
  - Working with Governments;
  - Capacity Building; and
  - Regulatory Affairs.

Enabling Strategies have three key objectives:

1. To increase awareness and education of DSM programs and services, which is key to driving participation in energy efficiency activities;
2. To evolve DSM services through innovation and improve delivery of these services to Nova Scotians; and
3. To drive market transformation.

It is through Enabling Strategies that ENS is able to conduct activities that help to increase its overall efficiencies. As stated in the 2015 DSM Resource Plan, examples of cost efficiencies identified through research for the purposes of evolving DSM services include market research for optimal incentives for the Appliance Retirement service and the attribution of energy savings for participants in the Home Energy Assessments service who did not receive rebates. Other efficiencies are also created through Enabling Strategies activities. For example, through the LED Holiday Light Exchange, ENS achieves a small amount of energy savings from an outreach-based activity.



1  
2 It is through Enabling Strategies that ENS will continue to develop innovative and cost-  
3 efficient ways in which to deliver on its DSM targets. Examples outlined below include a  
4 continued commitment to financing as a complement to tradition incentives; ongoing  
5 work to support codes and standards development; and initiating market transformation  
6 activities related to building construction, called Passive House. These initiatives are  
7 planned within an average investment that was evaluated at, or lower than, that of  
8 comparison jurisdictions in 2013<sup>1</sup>, and has been reduced further for the 2016 to 2018  
9 period in consideration of short-term affordability concerns. ENS remains committed,  
10 however, to the important results achieved through its Enabling Strategies activities and  
11 is of the position that, while it understands the need for short-term affordability  
12 considerations, increasing Enabling Strategies levels would help the organization achieve  
13 higher DSM results in the longer term.

#### 14 15 **4.1 Education and Outreach**

16  
17 The complexity of the electricity system means that many concepts and terms are not  
18 familiar or accessible to most Nova Scotians. The concept of energy efficiency is equally  
19 challenging to communicate effectively. Nova Scotians are more likely to embrace and  
20 adopt energy-efficient behaviours if they understand the value of energy efficiency to  
21 their own interests, to those of their communities and to the broader economy. As such,  
22 reaching out to Nova Scotians through Education and Outreach is a critical component of  
23 DSM efforts. Understanding the benefits of something intangible like energy efficiency is  
24 complex and takes time. This, along with the continual emergence of new technologies,  
25 changes in service delivery to improve programs and increase accessibility, and the  
26 cementing of energy efficiency as a part of Nova Scotia's electricity supply per the  
27 *Electricity Efficiency and Conservation Restructuring (2014) Act*, make education and

---

<sup>1</sup> Econoler, "Enabling Strategies Evaluation Final Report", February 21, 2014, pages 5 and 6

1 outreach activities as relevant and important now as they were when DSM was first  
2 introduced in Nova Scotia in 2008. The advancements made in public awareness of ENS  
3 (unaided awareness was at 35 percent in 2014) demonstrate that Enabling Strategies  
4 activities are having an impact on ENS's results. However, these same results also  
5 demonstrate that opportunities remain to reach additional Nova Scotians.

6  
7 The objectives of Education and Outreach activities are to effectively communicate what  
8 energy efficiency is and the individual and collective benefits it provides, with an  
9 objective of achieving increased levels of participation in DSM programs. For example,  
10 as shown in ENS's rate and bill impact analysis, all NS Power customers benefit over the  
11 long-term from DSM programs, and participants benefit to a greater extent. However, the  
12 rate and bill impact model is a technical analysis that does not lend itself to quick  
13 understanding: "selling" intangible benefits is not easy, but it is required in order to  
14 maintain and increase uptake in programs.

15  
16 Education and Outreach strategies for 2016 through 2018 will build on existing outreach  
17 efforts, services, research, and the continual feedback collected from Nova Scotians. This  
18 feedback includes customer and other input collected through surveys and at  
19 presentations, speeches, trade shows, online dialogue and experience gained through past  
20 DSM initiatives.

21  
22 Areas of focus will include:

- 23
- 24 • Educating customers about energy efficiency through efforts to make it  
25 tangible;
  - 26 • Educating customers on the value and collective and individual benefits  
27 provided by energy efficiency;
  - 28 • Educating and engaging students and the education industry on energy and  
29 the role of efficiency;
  - 30 • Educating customers on ways to conserve energy, reduce peak demand,  
31 achieve cost-effective energy savings and lower their electric utility bills;

- 
- 1           •     Increasing public awareness of the value of participating in DSM  
2                     programs;
- 3           •     Enabling and encouraging the adoption of energy efficiency as a social  
4                     norm through a focus on both individual and community-based  
5                     commitments to energy efficiency;
- 6           •     Connecting customers to relevant DSM programs and services; and
- 7           •     Learning from our customers – ensuring their experiences and advice are  
8                     incorporated to improve programs and services.
- 9

10           The following components may be used to support this strategy:

11

- 12           •     Engaging Nova Scotians on the ENS website with information, tools and  
13                     calculators;
- 14           •     Engaging Nova Scotians through social media (Facebook, Twitter,  
15                     YouTube, LinkedIn) to drive awareness of energy efficiency;
- 16           •     Electronic newsletters emailed to past participants;
- 17           •     Advertising to increase awareness and understanding of programs and  
18                     services offered by ENS;
- 19           •     Continuing to build the Green Schools program, to supplement learning  
20                     and educate teachers and students about energy efficiency to help build an  
21                     energy-efficient culture in Nova Scotia;
- 22           •     Making inroads into the education system with a goal of building energy  
23                     efficiency into the P-12 curriculum;
- 24           •     Working with post-secondary education institutions to build awareness of  
25                     the opportunities and alignment of energy efficiency across all disciplines;
- 26           •     Public speaking and presentations on energy efficiency;
- 27           •     Stories in the media on energy efficiency; and
- 28           •     Additional activities as opportunities arise.
- 29

1 Efficiency Nova Scotia staff will work with delivery agents, industry partners and  
2 educational institutions to develop, manage and deliver education and outreach programs.

## 3 4 **4.2 Development and Research**

5  
6 Efficiency Nova Scotia uses evidence-based decision-making to improve program design  
7 and delivery and to guide business strategy. This approach ensures ENS is making the  
8 best possible decisions for evolving business requirements and reduces the risk and cost  
9 of making incorrect assumptions. ENS will invest in two areas of Development and  
10 Research:

- 11 1. Research and development initiatives to support the evolution of DSM Resource  
12 Plans and DSM programs;
- 13 2. Development activities that improve delivery of services and information to Nova  
14 Scotians.

### 15 16 **4.2.1 Primary and Secondary Research**

17  
18 Innovation is critical to ensure ENS programs reflect current technologies and consumer  
19 behaviour patterns. As such, an important focus of research will be to explore new  
20 opportunities for DSM programs and services. The knowledge and experience gained  
21 through development and research activities are intended to increase the effectiveness of  
22 all DSM programs and develop new DSM opportunities for future years. ENS will use  
23 primary and secondary research, and partner with other DSM experts, to obtain evidence-  
24 based insights into business opportunities and risks. Specific research initiatives could  
25 include:

- 26 • Research and development work related to the development of the 2019-2021 DSM  
27 Resource Plan;
- 28 • Examining motivations and barriers to participation;
- 29 • Examining trends and preferences in energy consumption behaviour;

- 
- 1           • Researching opportunities from other jurisdictions;
- 2           • Researching new measures, of which demand-response and/or demand-control
- 3           measures are expected to be included;
- 4           • Piloting new programs and changes to existing programs, of which results from
- 5           ENS's expected research into demand-response and/or demand-control options may
- 6           be included, with savings expected to be tracked under Existing Residential or New
- 7           Residential programs as applicable;
- 8           • Testing alternative marketing approaches;
- 9           • Undertaking a Small Business Energy Study in consultation with the Small Business
- 10          Advocate; and
- 11          • Researching and making recommendations on a more formalized methodology for
- 12          determining incentives, per the UARB's Decision.
- 13

#### 14   **4.2.2 Development of DSM Information Management and Program Execution Systems**

15

16          Changes to enhance the customer experience through Programs 2.0 will require an

17          information management system that can easily track and provide insight into all relevant

18          customer interactions. This system will:

- 19               • Provide a better service experience for Nova Scotians (interactions with ENS will
- 20               be improved through enhanced tracking of customers' historical interactions);
- 21               • Ensure ENS is communicating the right message at the right time to customers
- 22               (better customer life-cycle messaging and marketing); and
- 23               • Streamline information management and reporting (easier access to information).
- 24

25          The system is expected to create efficiencies for program delivery, research, and

26          marketing purposes. Efficiencies are expected to be in the form of reduced time spent on

27          data processing and reporting, a reduction in external consultants required to develop

28          reporting capabilities, and improved program uptake by using database marketing

29          techniques. The changes will also enhance ENS's tracking of customer data for the

30          purposes of its rate and bill impact analysis, per Synapse's recommendations through the

1 2013-2015 DSM Plan process. Due to the enhanced tracking, which is expected to  
2 automatically remove duplication of customers across programs, the new system is  
3 expected to result in efficiencies to the manual process ENS must complete for the filing  
4 of its analysis. ENS will continue to invest in these systems throughout 2016-2018,  
5 building on improvements completed in previous years.

### 7 **4.3 Other Enabling Strategies**

#### 8 **4.3.1 Property-Assessed Clean Energy (PACE) Financing**

9  
10 ENS recognizes a lack of upfront capital can be a barrier to customers adopting energy  
11 efficiency measures. For this reason, financing DSM activities is a complementary  
12 incentive structure to standard rebates. While uptake in existing financing initiatives has  
13 been historically low (the median participation rate in financing programs across North  
14 America was calculated at less than 0.5% in 2011)<sup>2</sup>, ENS is continuing to support  
15 financing initiatives within its Residential and BNI programs.

16  
17 To further these initiatives, ENS will provide support and a suite of tools for  
18 municipalities to use in developing and administering Property-Assessed Clean Energy  
19 (PACE) financing programs. Such programs allow participants to pay for energy efficient  
20 upgrades through an add-on to their property taxes. In 2016-2018, ENS will continue its  
21 work in supporting municipalities to launch and administer PACE programs. As the  
22 service is administered by the municipalities, the support provided by ENS is an Enabling  
23 Strategy, rather than a program or service provided by ENS. Individual participants in the  
24 municipalities' PACE programs would be eligible to enroll in ENS programs, under  
25 which related energy savings would be recognized.

---

<sup>2</sup> American Council for an Energy Efficiency Economy, 2011. *What have we learned from energy efficiency financing programs?*

---

**4.3.2 Working with Governments**

1  
2  
3 In 2016-2018, ENS will continue to work to advance discussion, development and  
4 implementation of energy efficiency related codes and standards. This will include  
5 discussions with provincial and federal stakeholders and will provide relevant market  
6 information to governments for decision-making purposes. In addition, ENS will  
7 participate in the technical development of energy efficiency related product standards  
8 through work with organizations such as the Canadian Standards Association.  
9

**4.3.3 Capacity Building**

10  
11  
12 ENS will continue to foster industry capacity-building, focusing efforts in several areas,  
13 including enhancing existing training and quality assurance for ENS partners and  
14 contractors and providing marketing support for delivery partners and contractors.  
15

16 ENS will continue promoting new home building standards and will explore  
17 opportunities to advance the introduction of the Passive House concept in Nova Scotia.  
18 The Passive House concept originated in Germany and has evolved for more than 15  
19 years, becoming widely adopted in Europe as the top standard in energy-efficient  
20 buildings. The standard applies to all buildings, whether residential, commercial or  
21 institutional and incorporates energy efficiency engineering concepts of design,  
22 components, and construction to create buildings that function as comfortable, highly  
23 efficient units requiring minimal heating and cooling systems. For example, using  
24 Passive House design, heating an average-sized, single-family home would cost less than  
25 \$500 per year.  
26

27 To advance the Passive House concept in Nova Scotia, ENS intends to work with  
28 designers, architects, engineers, builders, component manufacturers, community colleges,  
29 universities, government, and stakeholders to educate and begin developing the capacity  
30 to incorporate the concept in newly constructed and retrofitted buildings.  
31

**1 4.3.4 Regulatory Affairs**

2

3

4

5

6

7

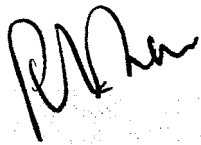
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9

As approved in the 2015 DSM Resource Plan, Regulatory Affairs initiatives outside of specific research conducted for DSM Resource Plans or Potential Studies are categorized as Enabling Strategies. As with other Enabling Strategies, regulatory activities lay the groundwork for future energy savings: without approvals for ongoing activities and changes to existing ones, future savings would not be possible. These activities include UARB costs, DSM Advisory Group and stakeholder consultation work, as well as legal work relating to regulatory initiatives.







**SCHEDULE B  
Consensus Agreement**

**M06733**

**IN THE MATTER OF:**                    **THE PUBLIC UTILITIES ACT**

And

**IN THE MATTER OF:**                    *An application by EfficiencyOne for Approval of a Supply Agreement for Electricity Efficiency and Conservation Activities between EfficiencyOne and Nova Scotia Power Inc., the establishment of a final agreement between the parties, and approval of a 2016-2018 Demand Side Management ("DSM") Resource Plan*

**WHEREAS** EfficiencyOne is the Franchise Holder in accordance with the *Public Utilities Act*;

**AND WHEREAS** EfficiencyOne has filed an application with the Nova Scotia Utility and Review Board, in accordance with the provisions of the *Public Utilities Act*, for the approval of a Supply Agreement with Nova Scotia Power Inc. ("NSPI") for the supply of electricity efficiency and resource conservation activities for the years 2016 through 2018 ("Supply Agreement");

**AND WHEREAS** NSPI is, in accordance with the *Public Utilities Act*, deemed to be a co-applicant with EfficiencyOne in the application for approval of the 2016 -2018 DSM Resource Plan ("2016-18 DSM Plan") and Supply Agreement;

**AND WHEREAS** EfficiencyOne and NSPI (together referred to as the "Co-Applicants") have each filed its evidence before the Board;

**AND WHEREAS** each of the Co-Applicants has served and responded to Information Requests of the other, and each of the Co-Applicants have responded to Information Requests filed by certain of the formal Intervenor in this proceeding;

**AND WHEREAS** the parties to this Agreement (collectively the "Parties" and individually a "Party") have reached an agreement on certain matters in relation to the approval of the 2016-2018 DSM Plan;

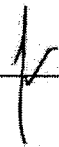
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AND WHEREAS, based on the record before the Board, the Parties hereby approve the Terms of Consensus attached hereto as Appendix "A". The Parties reserve the right to amend their position based on any further evidence raised in the proceeding before the Board.


NOW THEREFORE the Parties agree as follows:

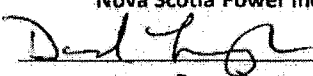
- 1) This Consensus Agreement may be executed by the Parties in counterparts, each of which when so executed and delivered shall be deemed to be an original and when taken together shall be deemed to be one and the same instrument. The electronic delivery, including, without limitation, by email or facsimile transmission, of any signed original of this Settlement Agreement shall be the same as the delivery of an original.


Signed and dated this 16<sup>th</sup> day of June 2015.

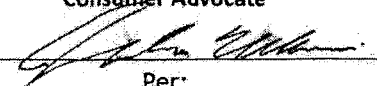
Witness 

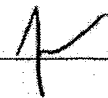
EfficiencyOne  
  
Per:

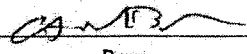
Witness 


Nova Scotia Power Incorporated  
  
Per: DAVID LANDRUM


Witness 


Consumer Advocate  
  
Per:

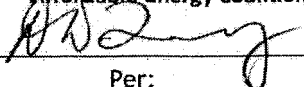
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Small Business Advocate  
  
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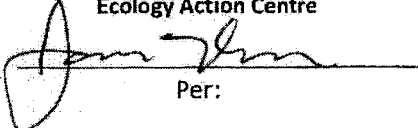
Witness 

Industrial Group  
  
Per: NANCY RUBIN

Witness 

Affordable Energy Coalition  
  
Per:

Witness 

Ecology Action Centre  
  
Per:

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APPENDIX "A"

1) ESTABLISHMENT OF A STANDARDIZED FILING FOR FUTURE APPLICATIONS TO APPROVE A DSM SUPPLY AGREEMENT

- a) The Parties agree to the establishment of a standardized filing for future applications, the substance of which will be vetted through the DSM Advisory Group for the Board's approval. The standardized filing will include a program description template based on Efficiency Maine (included as Attachment C to EfficiencyOne's Reply Evidence), with the addition of:
  - i) Lifetime energy and demand savings;
  - ii) Annual participation and participation rates by program;
  - iii) Cost-effectiveness testing analysis results by program;
  - iv) Levelized cost of saved energy for each program;
  - v) Detailed description of the rate and bill impact analysis; and
  - vi) Such other items as agreed to in the DSM Advisory Group.
- b) EfficiencyOne is not precluded from providing additional information or sections as it may determine to be relevant.
- c) EfficiencyOne will provide technical data in its Plan filing, by measure, or such similar information to the extent available.

2) ESTABLISHMENT OF A RESERVE FUND

- a) In lieu of development of a DSM reserve fund, the Parties agree they will not challenge EfficiencyOne's ability to apply on an expedited basis to the Board for recovery of funds to address extraordinary or unforeseen circumstances outside of normal operations, if required, provided that Efficiency One has made a good faith effort to mitigate the costs of the extraordinary or unforeseen circumstances.
- b) This clause is without prejudice to any Party's rights of participation in any such application and does not preclude any Party from challenging the merits of the claimed

recovery, claimed recourse or any other matter.

- c) EfficiencyOne agrees that, if a budget surplus exists at the end of the three-year contract period, the surplus will be returned to NS Power for the benefit of ratepayers as determined by the Board.

### 3) PERFORMANCE TARGETS, INDICATORS AND THRESHOLDS

a) The parties agree to the following Performance Targets and Performance Indicators:

- i) Performance Targets are set over the three-year contract period, rather than annually.
- ii) EfficiencyOne is deemed to be in substantial compliance with the approved Plan Performance Targets if 90 percent or greater achievement is reached on the two Performance Targets as listed below. If less than 90 percent of any Performance Target is achieved, a regulatory process will be triggered.

b) Performance Targets consist of:

- i) Cumulative annual energy savings
- ii) Cumulative annual peak demand savings

c) Performance Indicators (for indicating or monitoring progress toward Performance Targets) consist of:

- i) Annual incremental energy savings (reported by program)
- ii) Cumulative annual energy savings (reported by program)
- iii) Lifetime savings (once methodology is developed) (reported by program)
- iv) Annual incremental peak demand savings (reported by program)
- v) Cumulative annual peak demand savings (reported by program)
- vi) Total ratepayer benefits (once methodology is developed)
- vii) Total spending (reported by program and rate class)
- viii) Customer satisfaction

2870094

- ix) An analysis of the impact on rates through the implementation of the 2016-2018 programs, to be included as part of EfficiencyOne's historical-looking rate and bill impact analysis as outlined in clause 6(b).
  - x) Reporting on low income program participation, expenditures, and savings through a variety of methods, including estimation based on geographic census information.
- d) For the Performance Indicators reported by program, EfficiencyOne agrees to report on them additionally by rate class as soon as available and not later than within its Q3 report.

#### 4) COST ALLOCATION

- a) The Parties agree to collaboratively work to develop new DSM cost allocation and DSM cost recovery models to be submitted by October 31, 2015 for approval or Decision by the Board, or within a reasonable period of time in accordance with the Board's regulatory schedule. This engagement will include the following items:
  - i) 2015 DSM cost allocation
  - ii) 2016-2018 DSM cost allocation
  - iii) 2014 rate-smoothing adjustment ("RSA"); and
  - iv) Mid-course adjustments.
- b) For clarity, this clause in no way restricts Nova Scotia Power's discretion in making application to the UARB regarding the accounting treatment and recovery mechanism of DSM costs.

#### 5) EVALUATION AND REPORTING

- a) The Parties support EfficiencyOne's proposal for annual program impact evaluations and process evaluations at the organizational level with program process evaluations if required. EfficiencyOne will provide an overview of potential condensed impact reporting to the DSM Advisory in 2016 for discussion.
- b) EfficiencyOne will explore methodologies of demand savings evaluations with its evaluator.

2870094

- c) EfficiencyOne agrees to provide a full report on its 2016-2018 Performance Requirements and Performance Indicators within its Annual Progress Report filed in 2019.
- d) EfficiencyOne will provide explanations of substantial changes, defined as variance in energy savings or investment of 25 percent or more at a program level.
- e) Dependent on an approved cost allocation methodology, EfficiencyOne will undertake reasonable efforts to avoid program changes that will result in substantial changes to any customer rate class on an annual basis.
- f) The Parties agree to the timing of EfficiencyOne's reporting and the contents of those reports as set out in the attached Schedule 1, subject to revisions to the contents of the reports which may be agreed to or determined by the Board as a result of discussions within the DSM Advisory Group.
- g) EfficiencyOne will provide written advance notice of its intent to implement mid-course adjustments by program and their customer rate class impacts. The Parties acknowledge EfficiencyOne's position that it is not able to provide advance notice of mid-course adjustments resulting from third-party evaluation reports, as these adjustments are made immediately after receipt of these reports.

## 6) RATE AND BILL IMPACT ANALYSIS

- a) As with prior filings of its rate and bill impact analysis, EfficiencyOne agrees to develop, in consultation with the DSM Advisory Group, assumptions to its rate and bill impact analysis. This will include, but is not limited to, the inclusion of contribution to fixed costs. Once complete, the inclusions will be included in future filings of the analysis.
- b) EfficiencyOne agrees to file historical-looking rate and bill impact analyses by October 31<sup>st</sup> of each year.

## 7) RESOLUTION PROCESS

2870094



- a) If consensus is not achieved on any of the above items to be addressed within the DSM Advisory Group, such items will be presented to the UARB for determination not later than June 30<sup>th</sup>, 2016.

## 8) RESERVATION OF RIGHTS

- a. This agreement is without prejudice to the rights of any Party or the position any Party may take on these issues in future proceedings.

2870094

"Schedule 1"

Report Timing and Contents

Legend:

Using full cost formulaically triggered an automatic regulatory process (used for all requests for by Director of the LAMES)	
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2015 Q1 Report	July/Aug	<ul style="list-style-type: none"> <li>Quarterly and YTD highlights</li> <li>Consideration of aspects that concern stakeholders and results for regulatory</li> <li>YTD investment by rate class (compared to approved forecast)</li> <li>Cost of capital (health plan, operations, and items of interest by program, plus low interest periods)</li> <li>Other activities organized by Executive Strategies categories</li> <li>Advise notice of significant changes if relevant.</li> </ul>
2015 Q2 Report	Oct/Nov	<ul style="list-style-type: none"> <li>See 2015 Q2 report for details</li> </ul>
2015 Q3 Report	at least three times per year (generally following filing of quarterly reports)	<ul style="list-style-type: none"> <li>Discussion of statutory reports</li> <li>Other reports as required/requested</li> </ul>

2015 Annual Progress Report	End of March	<ul style="list-style-type: none"> <li>Summary of 2015 context, activities and efficiencies achieved</li> <li>2015 investment by rate class (compared to approved forecast)</li> <li>Status of performance targets and realization</li> <li>Energy savings and investment for each program component</li> <li>Management discussion and analysis of any major discrepancies relative to the original plan's intent and forecasts</li> <li>Summary of investment and savings for each program of target market area</li> <li>Update on 2016 risk and volatility (and overall adjustment by program plus updated program descriptions (high/low))             <ul style="list-style-type: none"> <li>Corrective Action Plan if required</li> <li>If risk course adjustments result in substantial changes by program, explanation and justification will be provided</li> <li>Notice of significant changes if required</li> </ul> </li> <li>Update on times arising from the 2015-2016 2016 Plan process</li> <li>Updated preliminary cost allocation (if relevant)</li> </ul>
2015 Evaluation Report	End of March	<ul style="list-style-type: none"> <li>Project evaluation (all program)</li> <li>Process/controls</li> </ul>
2016 Q1 Report	April/May	See 2015 Q1 report for details
2016 Audited Financial Statements	May	
2015 Q3 Report	July/Aug	See 2015 Q3 report for details plus advance notice of Significant Changes if relevant.
Marketwide working rate and all impact analysis	End of October	<ul style="list-style-type: none"> <li>Results by rate class in graphical form</li> <li>Overview and description of analysis</li> <li>Comments and results</li> <li>Assumptions, including explicit identification of any changes from prior filings</li> </ul>
2016 Q3 Report	Oct/Nov	<ul style="list-style-type: none"> <li>Status of performance indicators by rate class</li> </ul>

Meetings with DSMAC	At least three times per year generally following filing of quarterly reports	<ul style="list-style-type: none"> <li>See 2013 Q1 report for remaining details</li> <li>Discussion of quarterly report</li> <li>Other topics as required/requested</li> </ul>
2013 Annual Progress Report	End of March	<ul style="list-style-type: none"> <li>See 2013 Annual Progress Report</li> </ul>
2013 Evaluation Report	End of March	<ul style="list-style-type: none"> <li>Impact evaluation (all programs)</li> <li>Process evaluation (as proposed in EfficiencyOne's Evidence)</li> </ul>
2013 Q1 Report	April/May	See 2013 Q1 report for details
2013 Audited Financial Statements	May	
2013 Q2 Report	July/Aug	See 2013 Q2 report for details
Historical finding related to process evidence	End of October	<ul style="list-style-type: none"> <li>Results by race class in graphical form</li> <li>Overview and description of analysis</li> <li>Commentary around results</li> <li>Assumptions, including explicit identification of any changes from prior filings</li> </ul>
2013 Q3 Report	Oct/Nov	See 2013 Q3 and 2013 Q4 report for details
Meetings with DSMAC	At least three times per year generally following filing of quarterly reports	<ul style="list-style-type: none"> <li>Discussion of quarterly report</li> <li>Other topics as required/requested</li> </ul>

2014 Q1 Report	April/May	See 2014 Q1 report for details
2014 Audited Financial Statements	May	
2014 Q2 Report	July/Aug	See 2014 Q2 report for details
Historical finding related to process evidence	End of October	<ul style="list-style-type: none"> <li>Results by race class in graphical form</li> <li>Overview and description of analysis</li> <li>Commentary around results</li> <li>Assumptions, including explicit identification of any changes from prior filings</li> </ul>
2014 Q3 Report	Oct/Nov	See 2014 Q3 and 2014 Q4 report for details
Meetings with DSMAC	At least three times per year generally following filing of quarterly reports	<ul style="list-style-type: none"> <li>Discussion of quarterly report</li> <li>Other topics as required/requested</li> </ul>
2014 Annual Progress Report	End of March	<ul style="list-style-type: none"> <li>Status of annual performance indicators</li> <li>See 2014 Annual Progress Report for remaining items</li> </ul>
2014 Evaluation Report	End of March	<ul style="list-style-type: none"> <li>Impact evaluation (all programs; shortened version referencing 2013 evaluation for methodology unless it changed)</li> <li>Process evaluation (as proposed in EfficiencyOne's Evidence)</li> </ul>

2019 Q1 Report	April/May	See 2019 Q1 report for details
2019 Q2 Report	May	
2019 Q3 Report	July/Aug	See 2019 Q3 report for details plus advance notice of Significant Changes if relevant
2019 Q4 Report including late and all through systems	Oct/Nov/Dec	<ul style="list-style-type: none"> <li>• Details by site (as applicable)</li> <li>• Details and description of analysis</li> <li>• Comments around results</li> <li>• Assumptions, including explicit identification of any changes from prior times</li> </ul>
2019 Q4 Report	Oct/Nov	See 2019 Q4 report for details plus advance notice of Significant Changes if relevant
Meetings with USASIS	At least three times per year generally following filing of quarterly reports	<ul style="list-style-type: none"> <li>• Discussion of quarterly report</li> <li>• Other topics as required/requested</li> </ul>