



February 5, 2019

Nova Scotia Demand Side Management Advisory Group
c/o Holly Brown
EfficiencyOne
230 Brownlow Avenue, Suite 300
Dartmouth, NS B3B 0G5

Via email

RE: Revised Comments on EfficiencyOne's Proposed Enhancements to its Rate and Bill Impact Model

Synapse Energy Economics, Inc. (Synapse) respectfully submits the following revised comments in regard to EfficiencyOne's (ENS) *Proposed Enhancements to EfficiencyOne Rate and Bill Impact Model* document provided to the DSMAG on January 21, 2019, and recirculated on January 24th. The document summarizes ENS' recommended approach to addressing nine existing open issues and six new issues with ENS' long-term rate and bill impact analysis (R&BIA), including changes proposed by NS Power. ENS requested feedback from the DSMAG on the document by January 31, 2019. We wish to replace Synapse's initial, January 31 comments with these revised comments.

On October 31, 2018, ENS filed its 2018 long-term R&BIA. The Nova Scotia Utility and Review Board (NS UARB) requested comments from interested parties by December 3, 2018. On October 10, 2018, NS Power circulated its comments to the Demand Side Management Advisory Group (DSMAG). Synapse, the Consumer Advocate, and the Small Business Advocate also provided comments. NS Power reviewed its comments at the October 24, 2018 DSMAG meeting. NS Power also shared Excel files supporting its comments with the group on November 21, 2018. NS Power filed reply comments on December 3, 2018.

ENS provided its written response to all the comments it received on December 17, 2018. On page 9 of the Conclusions section of its comments, ENS stated "EfficiencyOne will schedule a DSMAG discussion to further explore NS Power's proposed alterations to EfficiencyOne's model, to provide NS Power with an opportunity to share its short-term rate impact model, and to review outstanding items from the 2017 RBIA in advance of the 2020-2022 DSM Resource Plan Forward-looking RBIA modeling." ENS scheduled a DSMAG meeting on January 24, 2019 to further discuss NS Power's proposed R&BIA changes.

On January 11, 2019, the DSMAG received an email from ENS stating, "...there is no longer an in-person meeting scheduled until September...We have altered the approach to recognize tight timelines and stakeholder's time commitments, particularly in considering the regulatory process around the 2020-2022 DSM Resource Plan filing." ENS then circulated the document titled, *Proposed Enhancements to EfficiencyOne Rate and Bill Impact Model* to the DSMAG.

Synapse reviewed this document and offers the following findings and recommendations. It is important to note that ENS recommends no changes to the methodology for many of the issues. We also note there are several changes proposed by NS Power for which ENS has further questions. ENS recommends deferring action at this time to allow for further consideration of these changes. We have further questions on the same changes, as well as questions and concerns about other proposed changes. As a result, we agree with ENS' recommendation to defer action on some issues, but we apply it more broadly. We recommend making only one change at this time, given the tight turnaround time for comments on ENS' proposal, the lack of opportunity to discuss and ask questions about ENS' proposal with ENS and the DSMAG, and the number of important open follow-up questions posed by ENS on NS Power's proposed modifications to the ENS long-term R&BIA methodology. We recommend correcting the only error, which is to adjust multi-year average bill impact calculations from arithmetic to weighted averages (Issue # NEW_5).

Instead of taking an incremental approach, we recommend no further changes to the existing, long-term R&BIA methodology until the DSMAG receives NS Power's short-term rate impact model (a form of R&BIA) and methodology. We make this recommendation for two reasons. First, comparisons between the short- and long-term models may bring forth further recommendations and insights. We wish to consider all of the recommendations and insights at once, especially as it may be important for the two models to be consistent in certain ways. Second, the DSMAG's time is valuable. We do not see any good reason to go through this process twice in one year. Given that the NS UARB has ordered NS Power to provide a short-term rate impact analysis in the 2020-2022 Plan proceeding, we feel that it should be provided early enough in the process such that there is an opportunity to ask information requests on it in that context. The DSMAG should then set up a schedule for meeting(s) to occur after the 2020-2022 DSM Plan proceeding has concluded. These meeting(s) would allow the DSMAG to discuss (a) whether there should be any changes to ENS' long-term R&BIA to be consistent with NS Power's short-term rate impact model, (b) whether to adopt any new and outstanding proposed modifications to the long-term R&BIA, including those proposed by NS Power, and (c) whether there should be any changes to the short-term rate impact model prior to the filing of the next DSM Plan in 2022. By aligning these processes, the DSMAG will be able to make more informed decisions on a path forward for both models.

We thank ENS and the DSMAG for the opportunity to provide these revised comments.

Sincerely,

Jennifer Kallay, Senior Associate

Alice Napoleon, Senior Associate

