

EfficiencyOne

2018 Business Plan

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INTRODUCTION

EfficiencyOne's annual business plans guide the organization in achieving the goals and priorities outlined in our five-year Strategic Plan, our Demand Side Management (DSM) plans approved by the Nova Scotia Utility and Review Board, and our service agreements with the Province of Nova Scotia.

This year marks the final year of EfficiencyOne's 2016-2018 DSM Plan. EfficiencyOne will invest \$34.4 million in 2018 to achieve our 136.3 GWh energy-saving and 21 MW demand-saving targets. The organization will invest an additional \$18.3 million to achieve non-electric savings of 86,731 GJ in 2018.

The strategies and initiatives described in the 2018 Business Plan will result in:

- Over \$230 million of electricity bill savings recirculating in our local economy over the next 14 years
- Training and support for more than 200 local businesses, employing over 1,000 people to work on Efficiency Nova Scotia projects
- Improved air quality by avoiding over 93,000 tonnes of carbon emissions per year
- 50 percent reduction in heating costs for participating low-income homes and over \$1 million in lifetime savings in First Nations communities

The 2018 Business Plan outlines four areas of focus reflecting the target areas in our 2018 Scorecard:

- 1. Innovate for future savings and diversify DSM portfolio**
- 2. Identify and execute new business opportunities**
- 3. Improve operational effectiveness**
- 4. Educate and inform key stakeholders about our work**

The Business Plan highlights key initiatives in 2018 under each focus area. It does not represent all of the organization's initiatives or day-to-day activities in 2018.

INNOVATE FOR FUTURE SAVINGS AND DIVERSIFY DSM PORTFOLIO

Focusing on emerging technologies and new approaches to saving energy, and diversifying our mix of incentives for energy-saving measures, will enable EfficiencyOne to meet our 2018 savings goals, and guide EfficiencyOne in delivering the most cost-effective energy savings to Nova Scotians in future years. These efforts will benefit all Nova Scotians by lowering energy bills, avoiding carbon emissions and strengthening the local economy.

Key initiatives in this area include:

- **Introduce a long-term energy savings portfolio plan and develop a 2020-22 DSM Plan** to guide EfficiencyOne in delivering cost-effective energy savings to all Nova Scotians, and to help meet Nova Scotia's future energy goals
- **Explore new approaches and emerging technologies**, including launching new or revised incentives, implementing pilots, and exploring new or expanded offerings in existing services
- **Increase the use of data and analytics** to expand program participation, identify new savings opportunities, and evolve programs and services.

IDENTIFY AND EXECUTE NEW BUSINESS OPPORTUNITIES

EfficiencyOne will continue to diversify and grow our business offerings, in line with our ambitious 2015-2020 Strategic Plan goals. These efforts will benefit all Nova Scotians by growing and sharing Nova Scotia's expertise and experience, and expanding the role and influence of Nova Scotia's energy efficiency industry.

Key initiatives in this area include:

- **Offer new non-electric services** in First Nations communities and Nova Scotia's non-profit sector, and **expand existing services** to achieve energy savings and avoid carbon emissions in homes heated with oil and other fuels
- **Continue to pursue growth opportunities** in areas outside of Efficiency Nova Scotia franchise activities, in accordance with EfficiencyOne's Inter-Affiliate Code of Conduct and aligned with the organization's growth strategy
- **Expand the Efficiency Trade Network** by enhancing engagement activities to reach new members, exploring the introduction of an incentive program for network members, and offering more training and development opportunities

IMPROVE OPERATIONAL EFFECTIVENESS

EfficiencyOne will enhance our organizational abilities in 2018 by focusing on innovation and improvement in key operational areas and processes. These efforts will benefit all Nova Scotians by making it faster and easier to access Efficiency Nova Scotia incentives and support, improving operational accuracy and efficiency, and by improving customer and partner experience.

Key initiatives in this area include:

- **Implement a new training and development program** to help managers build and strengthen their leadership skills and drive organizational results
- **Improve organizational efficiency in information management and reporting** by continuing the implementation of the Dynamic Demand Side Management (DDSM) enterprise resource system and upgrading essential IT infrastructure, including telephony and core software
- **Introduce electronic procurement software** to make it faster and easier to respond to EfficiencyOne's Requests for Proposals (RFPs) and to continue to attract partners who share our values and our commitment to achieving results

EDUCATE AND INFORM KEY STAKEHOLDERS ABOUT OUR WORK

EfficiencyOne is committed to fostering successful relationships with our stakeholders. In 2018, EfficiencyOne will continue to engage stakeholders to share our activities and progress towards achieving our goals and priorities, to demonstrate the benefits energy efficiency delivers to all Nova Scotians, and to listen to stakeholder feedback.

Key initiatives in this area include:

- **Introduce new training opportunities and events** to make it easier for contractors, consultants and other industry partners to engage customers in Efficiency Nova Scotia services
- **Continue to share information and engage with customers, partners, and other stakeholders** through newsletters, media releases, social media activity and our Annual Report, through programs like Green Schools Nova Scotia, and by participating in various home shows, trade shows, workshops, and other community events

- **Develop and enhance partnerships** with non-profits, associations, and educational institutions by building on each organization's unique strengths to reach new customers and partners

CONCLUSION

By following the strategies and initiatives described in this plan, EfficiencyOne will achieve its energy-saving and financial targets, while continuing to progress towards the ambitious goals and priorities outlined in our five-year Strategic Plan.

EfficiencyOne's 2018 Business Plan is supported by each department's strategy, goals, and initiatives. The organization's success in 2018 will be measured according to the measures and targets outlined in EfficiencyOne's Scorecard, and will deliver benefits to all Nova Scotians in the form of energy bill savings, economic growth, and avoided carbon emissions.

EFFICIENCYONE SCORECARD

| 2018 DRAFT SCORECARD AND TAREGTS | | |
|----------------------------------|---------------------------------------|--------------------|
| Category | Measures | 2018 Targets |
| DSM Energy Savings | DSM - First Year Energy Savings (GWh) | 136.3 (+/- 5%) |
| | DSM -Annual Demand Savings (MW) | 21.0 (+/- 5%) |
| | DSM - First Year Unit Cost (\$/kWh) | \$0.243 to \$0.256 |
| Savings Diversification | % Diversified Savings Residential | 48% |
| | % Diversified Savings BNI | 49% |
| PNS Energy Savings | PNS - First Year Energy Savings (GJ) | 86,731 |
| | PNS - First Year Unit Cost (\$/GJ) | \$210.49 |
| People and Processes | Customer Satisfaction (CSat) | 88% or better |
| | Employee Engagement | 88% or better |
| | Key Process Cycle Time | 80% or better |
| EfficiencyOne Services | E1 Services Metrics Score | 3.0 or better |

EFFICIENCYONE 2018 BUDGET

EFFICIENCYONE
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
2018 Budget

| | 2018 Budget | | | |
|---|---------------|------------|---------|---------------|
| | DSM | PNS | Capital | Total |
| Revenue | | | | |
| DSM Fee for Service | \$ 34,920,000 | \$ - | \$ - | \$ 34,920,000 |
| PNS Fee for Service | - | 12,170,000 | | 12,170,000 |
| Recognition/(Deferral) of Revenue | (788,000) | 5,982,000 | | 5,194,000 |
| Interest Revenue | 242,000 | 104,000 | - | 346,000 |
| | 34,374,000 | 18,256,000 | - | 52,630,000 |
| Incentives | | | | |
| Incentives | 21,518,000 | 14,929,000 | - | 36,447,000 |
| Evaluation & verification | 1,094,000 | 168,000 | - | 1,262,000 |
| Program support | 682,000 | 43,000 | - | 725,000 |
| | 23,294,000 | 15,140,000 | - | 38,434,000 |
| Other Program & Administrative Costs | | | | |
| Amortization | - | - | - | - |
| Bad debts | 12,000 | - | - | 12,000 |
| Bank charges & interest | - | - | - | - |
| Information technology | 785,000 | 370,000 | - | 1,155,000 |
| Marketing, outreach, education & research | 2,481,000 | 766,000 | - | 3,247,000 |
| Meetings & travel | 148,000 | 62,000 | - | 210,000 |
| Office & insurance | 182,000 | 88,000 | - | 270,000 |
| Professional fees & consulting | 614,000 | 112,000 | - | 726,000 |
| Rent | 487,000 | 113,000 | - | 600,000 |
| Salaries & benefits | 6,200,000 | 1,510,000 | - | 7,710,000 |
| Training & development | 171,000 | 95,000 | - | 266,000 |
| | 11,080,000 | 3,116,000 | - | 14,196,000 |
| Total Costs | 34,374,000 | 18,256,000 | - | 52,630,000 |
| Net Surplus (Deficit) | \$ - | \$ - | \$ - | \$ - |
| Fund balance - beginning of the year | \$ - | \$ - | \$ - | \$ - |
| Net surplus (deficit) | - | - | - | - |
| Interfund transfers | - | - | - | - |
| Fund balance - end of period | \$ - | \$ - | \$ - | \$ - |