



# EfficiencyOne

## 2019 Business Plan





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# Introduction

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**EfficiencyOne's annual business plans guide the organization in achieving the goals and priorities outlined in our Strategic Plans, 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.**

In 2018, EfficiencyOne completed a planned mid-term review of our Strategic Plan, which resulted in updates to our strategic priorities and goals, and to the measures and targets in our 2019 Scorecard (see page 5).

The 2019 Business Plan highlights key initiatives that will help EfficiencyOne significantly contribute to greenhouse gas emission reductions, achieve our scorecard targets, and make progress in each of our strategic priority areas:

## Achieve

Deliver excellent value and satisfaction to our customers with products and services that contribute to economic and environmental prosperity.

## Champion

Support employees and partners to be highly engaged and inspire them to take pride in helping people build a better world through efficiency.

## Innovate

Become even better at helping people by leading the way with improved products, services and systems.

## Grow

Significantly increase our impact in building a better world by expanding and diversifying the markets and customers we serve.

EfficiencyOne will invest \$34.1 million in 2019 to achieve our 127.2 GWh electrical energy-saving and 20.2 MW electrical peak demand-saving targets. The organization will invest an additional \$23.8 million to achieve non-electrical energy savings of 306,206 GJ in 2019.

### The strategies and initiatives described in the 2019 Business Plan will result in:

- Over \$180 million of electricity bill savings recirculating in our local economy over the next 12 years helping Nova Scotia improve its economic productivity and competitiveness;
- Training and support for more than 200 local businesses, employing over 1,400 people to work on Efficiency Nova Scotia projects;
- Cleaner environment by avoiding nearly 1,000,000 tonnes of carbon emissions per year; and
- Over \$900 in average annual heating cost savings for low-income homeowners that participate in our HomeWarming service, and on average savings of \$450 per unit for tenants renting affordable housing, helping to alleviate energy poverty.

## Achieve

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Nova Scotians consistently tell us that energy efficiency is not only important, it adds to their quality of life. EfficiencyOne will continue to add value for our customers in 2019, with advice, technical assistance, and financial incentives that empower Nova Scotians to make choices that improve their lives and contribute to a cleaner, more prosperous Nova Scotia. Our efforts will focus on helping Nova Scotians take bigger steps in their efficiency journey, with support for upgrades like insulation, efficient HVAC equipment, and the next level of building design.

Key initiatives in this area include:

- **Take actions to help customers achieve more energy savings**, such as implementing pilots, additional customer outreach and support for our industry partners, incentive changes, and exploring new approaches or improvements to service delivery.
- **Use customer insights to drive program participation**, identify future savings opportunities, and evolve marketing and service delivery approach.
- **Secure approval of a 2020-2022 DSM Plan** that will deliver cost-effective energy savings to all Nova Scotians and help meet Nova Scotia's future energy goals

## Champion

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EfficiencyOne is committed to creating an engaged, customer-focused workplace culture, with an emphasis on continuously developing the skills and abilities of our employees and the diverse network of partners that deliver our services. We strive to provide leadership and expertise to promote training and skills development within the energy efficiency industry.

Key initiatives in this area include:

- **Deliver value to Efficiency Trade Network members** with increased engagement activities in key sectors and additional resources to support members.
- **Support training and skills development** for the energy efficiency industry through the Efficiency Trade Network, continued leadership development activities for EfficiencyOne staff, and implement a Talent Management Initiative to help plan for and address future staffing requirements.
- **Continue our partnerships with First Nations communities** to provide energy efficiency upgrades, and promote education and awareness-building to enable future energy efficiency activity.

## Innovate

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EfficiencyOne's customers have diverse needs and interests. The organization's continued success depends on our ability to understand and meet changing customer demands with our products, services and systems. EfficiencyOne aspires to lead the industry with improvements to our current business models, and with new products and services.

Key initiatives in this area include:

- **Continue to evolve our Information Technology Environment** toward fully leveraging integrated information management processes and systems, with a focus on efficiency, cost-effectiveness, and customer experience.
- **Identify opportunities to help customers benefits from smart meter data**, including potential for new programs, targeted marketing initiatives, and estimating ROI for specific customer energy efficiency and conservation investments.
- **Continue to enhance our customer experience** with improvements to key process cycle times, website navigation and user experience, and content strategy, ensuring customers receive the right information at the right stage in their journey with the organization.
- **Transition to a centralized approach to researching and planning new measures** to support the continued diversification of EfficiencyOne's savings portfolio in 2019 and beyond.

## Grow

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EfficiencyOne is committed to growing our impact by expanding and diversifying the markets and customers we serve. In 2018, new program funding from the provincial and federal governments enabled us to expand our residential programs to reach customers with non-electrically heated homes, and add a new residential solar program. In 2019, EfficiencyOne will build upon this success, with a focus on the following key initiatives:

- **Pursue opportunities to grow our services in key and underserved markets**, such as First Nations communities and low-income renters, and by expanding our Onsite Energy Manager service.
- **Continue to develop and enhance partnerships** with non-profits, associations, and educational institutions to promote awareness and educate customers about the good things efficiency brings, and to build industry capacity.
- **Support continued growth beyond Nova Scotia** through EfficiencyOne Services, in accordance with EfficiencyOne's Inter-Affiliate Code of Conduct and EfficiencyOne Services' growth strategy.

## Conclusion

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

EfficiencyOne's 2019 Business Plan is supported by the strategy, goals, and initiatives of each department and the EfficiencyOne Services subsidiary. The organization's success in 2019 will be measured according to the targets outlined in our Scorecard, and will deliver benefits to all Nova Scotians and export markets in the form of energy bill savings, economic growth, and avoided carbon emissions.

# EfficiencyOne Scorecard

2019 EfficiencyOne Scorecard		
Strategic Priorities	Measures	2019 Target
<b>Achieve</b>	DSM - First Year Energy Savings (GWh)	127.2 (+/- 5%) <sup>1</sup>
	DSM - Annual Demand Savings (MW)	20.2 (+/- 5%) <sup>1</sup>
	DSM - First Year Unit Cost (\$/kWh)	\$0.255 to \$0.268 <sup>1</sup>
	PNS - First Year Energy Savings (GJ)	306,206 (+/- 15%) <sup>2</sup>
	PNS - First Year Unit Cost (\$/GJ)	\$98.38 (+/- 15%) <sup>2</sup>
<b>Champion</b>	% Customer Satisfaction	88% or better
	% Employee Engagement	88% or better
<b>Innovate</b>	Diversified Savings Res. (GWh)	28.6 or more
	Diversified Savings BNI (GWh)	33.1 or more
	Key Process Cycle Time	88% or better
<b>Grow</b>	E1 Services - Revenue Above Budget	10% or more
	EfficiencyOne - Total Funding Growth	10% or more

1. A range of +/- 5% from target (-5% only from unit cost) is allowed as reasonable variance for DSM targets
2. A broader range of +/- 15% is in place for PNS targets for 2019 due to a start-up of Low Carbon Economy programs. These programs are still in the early phases of implementation, so 2019 results are subject to variability. 2019 target and range will be reviewed mid-year.

## EfficiencyOne 2019 Budget

	DSM	PNS	Capital	Total
<b>Revenue</b>				
DSM Fee for Service	\$ 34,050,000	\$ -	\$ -	\$ 34,050,000
PNS Fee for Service	-	22,206,000	-	22,206,000
Recognition/(Deferral) of Revenue	(265,000)	7,618,000	-	7,353,000
Interest Revenue	235,000	290,000	-	525,000
	<u>\$ 34,020,000</u>	<u>30,114,000</u>	<u>-</u>	<u>\$ 64,134,000</u>
<b>Incentives</b>				
Incentives	21,157,000	23,941,000	-	45,098,000
Evaluation & verification	1,071,000	232,000	-	1,303,000
Program support	940,000	49,000	-	989,000
	<u>23,168,000</u>	<u>24,222,000</u>	<u>-</u>	<u>47,390,000</u>
<b>Other Program &amp; Administrative Costs</b>				
Amortization	-	-	-	-
Bad debts	12,000	-	-	12,000
Bank charges & interest	-	-	-	-
Information technology	960,000	815,000	-	1,775,000
Marketing, outreach, education & research	2,277,000	1,573,000	-	3,850,000
Meetings & travel	160,000	82,000	-	242,000
Office & insurance	191,000	145,000	-	336,000
Professional fees & consulting	456,000	160,000	-	616,000
Rent	440,000	193,000	-	633,000
Salaries & benefits	6,201,000	2,788,000	-	8,989,000
Training & development	155,000	136,000	-	291,000
	<u>10,852,000</u>	<u>5,892,000</u>	<u>-</u>	<u>16,744,000</u>
<b>Total Costs</b>	<u>34,020,000</u>	<u>30,144,000</u>	<u>-</u>	<u>64,134,000</u>
<b>Net Surplus (Deficit)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>