



THE BRETON LAW GROUP

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Nicole Godbout
Regulatory Counsel
Nova Scotia Power Inc.
1223 Lower Water Street
PO Box 910
Halifax, NS B3J 2W5

Dear Ms. Godbout:

Re: June 25th IRP Technical Conference

Efficiency Nova Scotia (ENSC) has reviewed the materials provided by Nova Scotia Power Inc. (NSPI) in advance of its June 25th Technical Conference. We appreciate the opportunity to provide feedback on these materials and provide the following comments.

Candidate Resource Plans

In reference to the further development and analysis of Candidate Resource Plans, ENSC supports flexibility in the particular date of retirement for individual coal thermal generating stations within the 40, 50 and 60 year retirement scenarios. Since these retirement dates are not automatically optimized by modelling software, exploration of the most cost-effective retirement dates by NSPI on a per-unit basis is important for ensuring the selection of a resource plan that minimizes the utility's revenue requirement.

Avoided Costs

ENSC agrees with NSPI's suggested approach of further engagement with stakeholders to determine the most appropriate methodology. As a precursor to these consultations, it would be beneficial if NSPI provided sample calculations using the three potential methodologies put forward during the Technical Conference. These example calculations could show outputs of both the Peaker method and the Proxy Unit method as compared to the latest avoided costs produced using the Difference in Revenue Requirement method used in the 2009 IRP update.

ENSC supports the breakout of transmission and distribution avoided costs from the calculation of energy and capacity avoided costs.

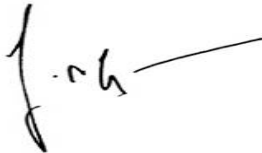
During discussions on the “Future approach under new legislation warrant further discussion” item on slide 6, a reference was made to DSM being screened using avoided costs from, for example, a three-year period rather than the current approach of a longer period (20 years in the last DSM Plan). The calculation of “short-term” avoided costs of DSM may have unintended consequences, as the benefits of DSM activities are inherently long term, thus rendering a short-term analysis potentially problematic. ENSC suggests that a thorough discussion on this topic, among other potential changes to the calculation and incorporation of avoided costs, should be included in the stakeholder discussions on avoided cost methodology.

Conclusion

ENSC appreciates the opportunity to provide these comments on the candidate resource plans and the avoided costs presentation from the June 25th IRP Technical Conference. We look forward to continuing to work with NSPI and all stakeholders throughout the remainder of the IRP process.

Yours very truly,

THE BRETON LAW GROUP

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

James R. Gogan

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