



THE OPERATOR OF  
EFFICIENCY NOVA SCOTIA

**efficiency**  
NOVA SCOTIA



ANNUAL REPORT | 2023

# TRANSFORMING THE WAY PEOPLE USE ENERGY



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EfficiencyOne staff.



## ABOUT US

**EfficiencyOne** is a leading efficiency enterprise. We transform the way people use energy.

Together, we help people achieve their energy goals, save money, conserve resources, improve wellbeing, and combat climate change.

Our role is to inform and motivate Nova Scotians to use less energy, use it smarter, and enjoy the good things efficiency brings. Investing in energy efficiency comes with many benefits—lower heating bills, more comfortable spaces, new jobs in communities across the province, and a smaller overall carbon footprint.







## LETTER FROM OUR BOARD CHAIR

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EfficiencyOne proudly holds the franchise under which we operate Efficiency Nova Scotia, Canada's only regulated independent energy efficiency utility. As Chair of EfficiencyOne's Board of Directors, I am pleased to introduce EfficiencyOne's 2023 Annual Report.

We focus on transforming the way people use energy. This means helping Nova Scotians reduce their reliance on fossil-fuel heating, their electricity use, and their energy bills at home and in their businesses and organizations. It also means a more resilient electricity grid, reduced greenhouse gas emissions (GHGs), and economic growth.

Investments in energy efficiency are helping Nova Scotia achieve its climate goals. The Province has set a goal of reducing GHG emissions by 53% below 2005 levels by 2030; or said another way, emitting no more than 10.8 megatonnes of GHGs annually by 2030. Efficiency Nova Scotia programs play a key role in reaching this goal. The combined effects of Efficiency Nova Scotia programs over the last decade resulted in the avoidance of 3.7 megatonnes of GHGs in 2023.

At the same time, our ratepayer-funded Demand Side Management (DSM) work is avoiding the need for higher-cost investments in electricity infrastructure (generation, transmission and distribution). The combined effects of Efficiency Nova Scotia DSM programs over the last decade resulted in 1,757 GWh of energy savings in 2023. This avoided energy consumption is 1.5 times greater than the energy produced by the Tufts Cove generating station in Dartmouth in 2023.



2023 was a challenging year for many Nova Scotians who grappled with the devastating effects of climate change, the increasing cost of living, and destabilizing world events. Atlantic Canada has the highest spending on household energy use in the country and Nova Scotia has one of the highest rates of energy poverty. For many people, their energy bill is often their largest bill. Energy efficiency is an important part of the combination of solutions that are needed to fight climate change and its consequences and to reduce energy poverty and the cost of living more broadly. Our organization is putting even greater emphasis on the contribution we make to fighting climate change, reducing energy poverty and allowing Nova Scotians to spend less of their hard-earned dollars on energy.

The Province of Nova Scotia and the Government of Canada have both made significant investments in our work through funding for Canada Greener Homes Grants, the Oil to Heat Pump Affordability Grants, and the Low Carbon Economy Fund's Home Heating Oil Transition. They have also funded additional assistance for low- and moderate-income Nova Scotians who often face the most difficulty in reducing energy costs. Additionally, the Province has made an important contribution to the investment endowment of our subsidiary, the Halifax Climate Investment, Innovation and Impact (HCi3) Fund.

EfficiencyOne continues to make bold strides in implementing our strategic plan, exemplifying our values of integrity, innovation, and partnership in everything we do. We have also integrated ambitious environmental, social and governance (ESG) targets into our strategies, workplans, and day-to-day operations. In this annual report, we report for the first time on the ESG progress we are making, as well as our performance on the energy efficiency goals on which we have always reported.

I want to thank my Board of Director colleagues for their commitment to our purpose. Their expertise and wisdom keep the organization focused on achieving our mission and meeting the targets laid out in our funding agreements. A special thank you to Corinne Boone for her time serving as an inaugural member of the Board of Directors of our subsidiary, the HCi3 Fund, and to Matthew Martel for joining the HCi3 Board in 2023.

Finally, a huge thanks goes to the EfficiencyOne team – your hard work and dedication to the mission of EfficiencyOne is second to none and allows us to be the energy efficiency leader that we are and that Nova Scotians deserve.

**Bill Lahey**  
**Chair of the Board of Directors**

# LETTER FROM OUR PRESIDENT & CHIEF EXECUTIVE OFFICER

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We understand the important role that our work plays in reaching net-zero targets and helping Nova Scotians make changes that will lower energy bills, create more comfortable spaces, and support jobs across the province.

Our work to date is helping Nova Scotians save more than \$4.8 billion in lifetime energy savings, including \$500 million for low-income homeowners and renters. While these numbers are impressive, Nova Scotia has the second-highest reliance on home heating oil as a primary heating source with about 40% of homes in the province heated with oil. Nova Scotia must transition away from oil to reach net-zero and meet the targets set out in the Environmental Goals and Climate Change Reduction Act.

As you will see in this report, throughout 2023, EfficiencyOne helped Nova Scotians achieve 132 GWh of electricity energy savings, 28 MW of electricity demand savings, and 442,724 GJ of non-electric energy savings, resulting in over 111,000 tonnes of GHG emissions avoided.





2023 was a record year for the HomeWarming and Home Energy Assessment programs. HomeWarming received more than 9,700 applications in 2023, an increase of more than 5,000 over previous years. From this, 2,047 Nova Scotians received no-cost energy efficient upgrades for their homes, including heat pumps and insulation. Home Energy Assessment received more than 14,000 applications in 2023, up more than 2,000 from 2022. Over 2000 moderate-income Nova Scotians qualified for enhanced incentives through the Oil to Heat Pump Affordability and Home Energy Assessment Moderate-Income programs. 11,946 Canada Greener Homes Grants were processed. To support the increased demand and streamline the process for customers, EfficiencyOne developed a navigator tool on the website to help homeowners determine which program is the right fit and increased the number of delivery agents we work with.

We also saw significant program demand for our Business, Non-Profit, and Institutional programs. Our Affordable Multifamily Housing Program supported projects in more than 200 buildings in 2023. This includes more than 300 affordable units in 117 multi-unit residential buildings, 79 non-profit non-bed facilities, and eight shelters. These projects will see an estimated average of about \$4,200 in annual energy bill savings. Our Energy Manager program helped large energy users across the province achieve significant energy savings and emission reductions including 18.5 GWh of electricity savings, 2.0 eGWh of non-electricity savings, 2.7 MW of electricity demand savings, and about 10,000 tonnes of CO<sub>2</sub>e. In 2023, participants in the Energy Manager program saved on average an estimated \$145,000 in annual energy bill savings. Recognizing the challenge that upfront costs for retrofits can cause for businesses, we entered into new partnerships to offer innovative financing options for commercial and industrial customers.

Our subsidiary, HCi3, continued to deliver on its purpose of investing in a net-zero Halifax for everyone. The second round of the Accelerating to Zero grant program received 32 expressions of interest and distributed almost \$500,000 in funding to 14 organizations across Halifax Regional Municipality to support projects ranging from clean transportation to solar-powered community gardens, and reusable CO processing for breweries. In June, the Province of Nova Scotia contributed \$7.5 million to HCi3 as part of its commitment to local climate action through Nova Scotia's Climate Change Plan for Clean Growth. This funding supports HCi3's long-term sustainability and had an immediate impact through the Accelerating to Zero grant program.

I want to thank our staff, delivery agents, and many partners across the province whose support, dedication, and commitment enable us to transform the way people use energy.

**Stephen MacDonald**  
**President & Chief Executive Officer**

# OUR BOARD OF DIRECTORS



(Left to Right) Vicky Sharpe, Cathie O'Toole, Joan McArthur-Blair, Carol MacCulloch, Denise Pothier, Faten Alshazly, William (Bill) Lahey, Sean O'Connor, Corinne Boone, Jack Kyte, Matthew Martel, Karen Miner.

EfficiencyOne is led by an independent Board of Directors with extensive professional experience serving private, public, and non-profit organizations. Effective and efficient governance is an essential foundation for our success.

## **WILLIAM (BILL) LAHEY, BA, BA (Juris), LL.M**

Chair of the Board of Directors and Founding Chair, Ex-Officio Member of the Finance, Governance and Management Resources and Compensation Committees

## **FATEN ALSHAZLY, BSc, MFA**

Member of Governance and Management Resources and Compensation Committees

## **CORINNE BOONE, BA, MES, CDI.D, GCB.D**

Member of Finance and Management Resources and Compensation Committees

## **JACK KYTE, BSc, DIJ**

Chair, Management Resources and Compensation Committee

## **CAROL MACCULLOCH, BComm, MA**

Member of Governance Committee

## **MATTHEW MARTEL, M.TEI, PMP, ICD.D (in progress)**

Member of Finance Committee





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**KAREN MINER, BBA, MA Planning, ICD.D**

Member of Governance and Management Resources and Compensation Committees

**JOAN MCARTHUR-BLAIR, BA, MEd, Ed.D**

Member of Finance and Management Resources and Compensation Committees

**SEAN O'CONNOR, BComm, CPA, CA**

Chair, Finance Committee

**CATHIE O'TOOLE, MBA, FCPA, FCGA, ICD.D**

Member of Governance and Finance Committees

**DENISE POTHIER, FEC, MBA, P.Eng., ICD.D (in progress)**

Member of Governance and Management Resources and Compensation Committees

**VICKY SHARPE, BSc, PhD, ICD.D**

Chair, Governance Committee and Member of Finance Committee

LEARN MORE ABOUT OUR

**BOARD OF  
DIRECTORS**





Horticulture LED lighting upgrades  
for den Haan Greenhouses.

# 2023

## PERFORMANCE

## Electrical energy saving targets

are regulated by the Nova Scotia Utility and Review Board and funded by electricity ratepayers in accordance with the Public Utilities Act.

| RESIDENTIAL                                    | ELECTRICAL SAVINGS (GWH) | GHG SAVINGS (TONNES) |
|--|--------------------------|----------------------|
| Appliance Retirement                           | 2                        | 1,661                |
| Instant Savings                                | 11                       | 8,561                |
| Home Energy Assessment                         | 26                       | 16,877               |
| Green Heat                                     | 3                        | 3,069                |
| Efficient Product Installation                 | 9                        | 5,233                |
| New Home Construction                          | 5                        | 3,238                |
| Affordable Multifamily Housing and Non-Profits | 3                        | 1,603                |
| Mi'kmaw Home Energy Efficiency Project         | 1                        | 318                  |
| <b>RESIDENTIAL SUBTOTAL</b>                    | <b>60</b>                | <b>40,561</b>        |

| BUSINESS, NON-PROFIT & INSTITUTIONAL                                  | ELECTRICAL SAVINGS (GWH) | GHG SAVINGS (TONNES) |
|---|--------------------------|----------------------|
| Business Energy Rebates   | 39                       | 26,516               |
| Custom  | 22                       | 15,661               |
| Small Business Energy Solutions                                       | 7                        | 5,066                |
| Strategic Energy Management and Energy Management Information Systems | 3                        | 1,866                |
| <b>BUSINESS, NON-PROFIT &amp; INSTITUTIONAL SUBTOTAL</b>              | <b>71</b>                | <b>49,109</b>        |

|                                   |            |               |
|-----------------------------------|------------|---------------|
| <b>TOTAL SAVINGS:</b>             | <b>132</b> | <b>89,669</b> |
| <b>TOTAL DEMAND SAVINGS (MW):</b> | <b>28</b>  |               |

\*numbers may not add up due to rounding

## How energy and GHG savings impact participants:

### Home Energy Assessment



- Supported over 9,700 homeowners with upgrades
- Average annual energy bill savings of \$1,500
- Average lifetime energy bill savings of \$21,100

### Affordable Multifamily Housing



- Supported upgrades to over 200 buildings
- Average annual energy bill savings of \$4,200
- Average lifetime energy bill savings of \$53,500

### Small Business Energy Solutions



- Supported over 650 businesses with upgrades
- Average annual energy bill savings of \$2,800
- Average lifetime energy bill savings of \$30,700

### Mi'kmaw Home Energy Efficiency Project



- Supported over 300 homes with upgrades
- Average annual energy bill savings of \$1,800
- Average lifetime energy bill savings of \$24,900

## The Province of Nova Scotia and the Government of Canada

provide funding for energy efficiency programs for non-electrically heated homes and the installation of solar photovoltaic (PV) systems.

| SAVINGS FROM OTHER PROGRAMS                    | ENERGY SAVINGS (GJ) | GHG SAVINGS (TONNES) |
|--|---------------------|----------------------|
| HomeWarming                                    | 52,186              | 3,616                |
| Mi'kmaw Home Energy Efficiency Project         | 5,175               | 395                  |
| Affordable Multifamily Housing and Non-Profits | 15,116              | 1,015                |
| Green Heat                                     | 39,920              | 1,187                |
| Home Energy Assessment                         | 276,531             | 11,813               |
| Efficient Product Installation                 | 12,791              | 875                  |
| SolarHomes                                     | 16,142              | 2,618                |
| Solar PV for Non-Profits                       | 3,496               | 567                  |
| Small Business Energy Solutions (Non-electric) | 21,367              | 636                  |
| <b>TOTAL SAVINGS FROM OTHER PROGRAMS</b>       | <b>442,724</b>      | <b>22,723</b>        |

\*numbers may not add up due to rounding



In 2023, Efficiency Nova Scotia programs avoided the release of **111,870 tonnes** of greenhouse gas emissions (CO<sub>2</sub>e). That's the equivalent of avoiding the use of **over 40 million litres** of oil.



Energy savings from all fuel sources achieved in 2023 are equivalent to the annual energy use of over **29,300 average Nova Scotian households**.



# OUR IMPACT



Investments in energy efficiency are important for helping Nova Scotia achieve its climate goals and getting us to net-zero by 2030. Consistent and predictable long-term funding for energy efficiency programs is critical to building stable program delivery and securing the confidence of program participants, delivery partners, and the energy efficiency industry at large.



Our work to date is helping Nova Scotians save more than **\$4.8 billion** in lifetime energy savings, including \$500 million for low-income homeowners and renters.



Our network of partners includes over **380 businesses**, including heat pump installers, lighting specialists, solar PV installers, and builders, employing more than 4,000 people.



Since 2011, Efficiency Nova Scotia programs have avoided the release of **10.3 megatonnes** of greenhouse gas emissions (CO<sub>2</sub> eq) in the province. That's the same as removing over 2.4 million gasoline powered passenger vehicles for one year.



Our work has supported over **2,400 Nova Scotians** through our low-income, Mi'kmaq and other Diverse Communities programs, including upgrades to over 200 shelters, transition houses, and affordable rentals.



In 2023 our team completed community blitzes in **ten** communities across Nova Scotia making our programs more accessible to Nova Scotians in every corner of the province.



In 2023, we engaged with over **28,000** students as part of our Green Schools Nova Scotia program.

# ENVIRONMENTAL, SOCIAL & GOVERNANCE



## Environmental

### Greenhouse Gas (GHG) Emissions

**111,870**

Target 105,071

tonnes of first-year CO<sub>2</sub> eq. emissions

**GHG emission reductions**  
from EfficiencyOne programs



## Social

### Our People

**86%** Employee  
engagement  
Target 86%  
or higher

### Employee Diversity

**60%** of employees  
identify as **female**  
Target 50%

**18%** of employees identify  
as **Indigenous, African  
Nova Scotian**, or as  
a **visible minority**  
Target 15%



### Leadership Diversity

**56%** of leaders identify  
as **female**  
Target 50%

**5%** of leaders identify  
as **Indigenous, African  
Nova Scotian**, or as  
a **visible minority**  
Target 15%

# Social

## Our Involvement in the Community



**90 %**  
Target 89%  
or higher

Satisfaction of **Efficiency  
Nova Scotia** program  
participants

**2,495**  
Target 1,960

Participation in **Low-income,  
Mi'kmaw**, and other **Diverse  
Communities** programs

**51 %**  
Target 25%

Of Efficiency Preferred  
Partner members  
participated in **workshops,  
training, and professional  
development supported  
by EfficiencyOne**

**75 %**  
Target 75%

Participation in the  
**Green Schools** program



# Governance

## Safety

**0**  
Target 0

Level of lost time injuries  
for **EfficiencyOne** staff

**100 %**  
Target 100%

Level of program delivery  
partners that are **Workers  
Compensation Board  
Safety Certified**

## EfficiencyOne Governance

### Board of Directors Diversity

**67 %**  
Target 50%

of Board members  
identify **as female**

**25 %**  
Target 21%

of Board members  
identify as **Indigenous,  
African Nova Scotian,  
or as a visible minority**

## Data Security

**0**  
Target 0

**Data breaches**  
reported to the Privacy  
Commissioner  
of Canada

# THE OIL TO HEAT PUMP AFFORDABILITY GRANT

In March 2023, EfficiencyOne signed an agreement with Natural Resources Canada (NRCan) to co-deliver the Oil to Heat Pump Affordability (OHPA) Grant. The Government of Canada and the Province of Nova Scotia are working together to help low and median-income Canadian households who are currently heating their homes with oil to make the transition to electric cold climate heat pumps.

With rising costs, Nova Scotians are eager to find ways to reduce their carbon footprint and save money on their energy bills. Interest in OHPA has been high since it was first launched, with more than 5,000 applications submitted by the end of the year.

In fall 2023, NRCan announced that enhancements would be added to the program — increasing available incentives to \$15,000 and including a one-time payment of \$250 for all approved participants to help defray the cost of oil.

## How OHPA works:

- It provides grants of up to \$15,000 and a one-time payment of \$250 to incentivize eligible homeowners to make the switch.
- It can be combined with existing federal and provincial funding.
- It can be stacked and integrated with existing Efficiency Nova Scotia programs like the HomeWarming and Moderate-Income Rebates.

## OHPA increased participation across Efficiency Nova Scotia programs

2023 saw unprecedented levels of interest in and applications to our programs thanks to increased rebates and incentives announced in late 2022.

The HomeWarming program saw over 10,000 applications and Canada Greener Homes Grant saw over 30,000 applications.





# HELPING BUSINESS, NON-PROFIT, AND INDUSTRIAL CUSTOMERS INVEST IN ENERGY EFFICIENCY UPGRADES

Through Efficiency Nova Scotia business programs, every business has the opportunity to invest in key energy upgrades. Check out these customers who worked with Efficiency Nova Scotia throughout 2023 to see big results:



## **SchoolHouse Gluten Free Mahone Bay, Nova Scotia**

SchoolHouse Gluten Free is a family run business operating out of a 150-year-old converted schoolhouse on the South Shore of Nova Scotia. Since opening their doors in 2009, they've worked with Efficiency Nova Scotia on numerous upgrades that have resulted in meaningful savings and a healthier workspace.

In 2023, Schoolhouse Gluten Free worked with Efficiency Nova Scotia through the Small Business Energy Solutions program to replace a commercial walk-in cooler. Thanks to their new equipment they'll see annual energy savings of over 4,700 kWh or \$850 each year.



## **Live Stor Sydney Limited – Eskasoni Cold Logistics Sydney, Nova Scotia**

A new, multi-use seafood storage and shipping operation, Live Stor is a joint initiative between Eskasoni First Nation and a pair of North Sydney brothers with decades of experience in the seafood industry. With energy efficiency upgrades such as LED lighting, occupancy sensors, and PV solar panels, supported through Efficiency Nova Scotia's Business Energy Rebate program, Live Stor will see significant energy savings of 220,000 kWh – that will lead to annual energy bill savings of over \$90,000.

The project also saw some great non-energy benefits too, with increased operational efficiencies that helped to increase profits that make their way back into the community.



## **Compass Minerals Amherst, Nova Scotia**

Compass Minerals' Amherst mechanical evaporation plant produces and packages a variety of salt products. Almost 50% of the salt manufactured at the plant is food-grade salt distributed for use in commercial food production in North America. In addition, the plant produces and packages salt for water conditioning, agriculture, fishery, de-icing and even pool salt. Operating since 1947, the plant uses a mechanical evaporation system that yields its high-purity salt by injecting water into an underground salt deposit to create saturated brine, which is drawn out and evaporated in a crystallizer. In 2023, Efficiency Nova Scotia, through our Custom Retrofit program, worked with the Compass Minerals Amherst plant as it replaced a large 2000 HP compressor used in the production process with a higher efficiency version, helping to further minimize the impact its production has on our environment. While initial projections indicated this new compressor would help Compass Minerals see savings of 1,800,000 kWh annually, measurement and verification is showing that the savings are nearly double what was anticipated. This means their expected annual energy bill savings will be \$300,000.

Compass Minerals is a leading global provider of essential minerals focused on safely delivering where and when it matters to help solve nature's challenges for customers and communities. Compass Minerals operates 12 production and packaging facilities with nearly 2,000 employees throughout the U.S., Canada and the U.K.



## **Banc Developments Halifax, Nova Scotia**

Banc Group is a leader in the development and management of commercial and residential real estate with a reputation for building excellence in Halifax, Nova Scotia.

Banc Developments believes that reducing the carbon footprint of buildings from day one is as essential as the services and housing they provide. Which is why they have been working with Efficiency Nova Scotia for close to a decade.

In 2023, Efficiency Nova Scotia worked with Banc Developments to provide incentives on lightning measures in two Halifax properties. Together these projects helped Banc Developments reduce over 140,000 kWh in energy annually which will help them save roughly \$31,000 annually in energy costs.

# GREEN SCHOOLS



Green Schools Nova Scotia at a Business is Jammin' event.

EfficiencyOne is engaging the future generation and making a significant impact through its Green Schools Nova Scotia program. Green Schools is the largest education and outreach initiative offering free programming, resources, engagements, and activities to primary to grade 12 students across the province. It helps students adopt an energy efficient and sustainable lifestyle at school, home, and in their communities. It also helps encourage youth to consider green careers in the energy sector.

## Key highlights from 2023 include:

- **75% of public schools across the province participated in Green Schools**
- **EfficiencyOne delivered more than 1,500 presentations and engagements (809 virtual and 784 in-person) reaching more than 28,000 students**
- **35 classes participated in virtual field trips**

Green Schools is proud to have these 12 Mi'kmaq Schools across the province participating:

| Focus Schools                                    | Region      |
|--|-------------|
| Allan Lafford High School                        | Cape Breton |
| Allison Bernard High School                      |             |
| Mi'kmaw Kina'matnewey (Mi'kmaq Immersion School) |             |
| Eskasoni Elementary/Middle School                |             |
| Maupeltuewey Kina'matno'kuom (Membertou School)  |             |
| Mi'kmawey School                                 |             |
| Unama'ki Training and Education Centre           |             |
| Wagmatcookewey School                            |             |
| We'koqma'q Mikmaq School                         |             |
| LSK School (Lnu Sipuk KinaMuokuom) School        | Northern    |
| Paq'tnkek Preschool                              |             |
| Pictou Landing First Nation School               |             |



Green Schools Nova Scotia at a Business is Jammin' event.

## Network and Community Events

EfficiencyOne partnered with the Green Schools program to deliver six networking, education, and community events.

From universities to schools, summer camps and more, EfficiencyOne engaged and educated youth on the importance of energy efficiency through programs, presentations, and hands-on learning experiences including:

- Mount Saint Vincent University Earth Day
- Oxford Frozen Foods Agricultural Safety Day
- Business is Jammin' science, technology, engineering, and math boot camp for black youth ages 15-18 years in partnership with Immigrant Services Association of Nova Scotia (ISANS)
- Electricity Human Resources Canada Bright Futures Summer Camp
- Business is Jammin' Experiences In Green Building Career Day





# BUILDGREEN ATLANTIC CONFERENCE



The BuildGreen Atlantic Conference.

EfficiencyOne was a proud partner of the inaugural BuildGreen Atlantic Conference. With over 400 delegates and 49 tradeshow booths, the conference was an excellent way to engage and inspire people from across the energy efficiency and green energy industries.

As a strategic partner with the Halifax chapter of the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), EfficiencyOne supported ticket sales for over 100 delegates. This partnership offered complimentary and discounted tickets to participants, including engineering and architecture students, ISANS clients, women in science, and Efficiency Preferred Partner members.

A highlight of the day was the presentation by EfficiencyOne staff on the Deep Energy Retrofit Technical Paper.

Attendees packed the room to learn about our assessment of the potential and challenges for an integrated, whole building approach to deep energy efficiency retrofits.

Stephen MacDonald, EfficiencyOne's President and CEO kicked off the event with opening remarks highlighting the work that Efficiency Nova Scotia is doing, emphasizing the importance of ensuring that the transition to a net-zero Nova Scotia is an equitable one, leaving no one behind.

The BuildGreen Atlantic Conference was a fantastic event that brought together industry professionals, experts, and enthusiasts who are passionate about sustainable building practices.

# PARTNERING WITH NOVA SCOTIA COLLEGES AND UNIVERSITIES



EfficiencyOne staff speaking at a Nova Scotia Community College Event.

EfficiencyOne recognizes the importance of inspiring youth to explore green careers and help build the future of the energy efficiency industry. Throughout 2023, EfficiencyOne hired 18 co-op students from Acadia University, Dalhousie University, Nova Scotia Community College, and Saint Mary's University. EfficiencyOne's co-op placements are highly sought after and the same students often return for multiple placements, some even coming on board after graduation to join as full-time employees.

The co-op students were enrolled in a number of relevant programs, including Office Administration, Energy Sustainability Engineering Technology, Computer and Business Administration, Environmental Science, Engineering, Computer Science, and Commerce Accounting.

## Bright Futures Award

Introduced in 2022, the Efficiency Nova Scotia Bright Futures Award aims to expand and diversify the Green Building sector by encouraging students to consider the benefits of improving efficiency within their programs. This year, bursaries of \$2,000 were awarded to five engaged students:

- **Easton**, Electrical Technician, Kingstec Campus
- **Mathew**, Electronic Engineering Technology, Marconi Campus
- **Riley**, Refrigeration and Air Conditioning - Geothermal, Cumberland Campus
- **Rylan**, Electrical Technician, Kingstec Campus
- **Kashish**, Electronic Engineering Technician, Kingstec Campus

[Learn more →](#)

## EFFICIENCY PREFERRED PARTNER NETWORK



An Efficiency Preferred Partner speaking to a homeowner about efficiency upgrades.

The Efficiency Preferred Partner (EPP) network is Nova Scotia's largest Trade Ally Network, comprised of companies that support energy efficiency upgrades, including general apprenticeship trades, solar installers, builders, engineers, consultants, and architects, providing Nova Scotians with a place to turn to support their efficiency improvements. The EPP network continued to grow throughout 2023, adding over 50 companies and is now proud to represent over 360 members.

In 2023, the EfficiencyOne team hosted and/or partnered on more than 25 webinar and in-person training sessions to support its members.

### Partnership with ASHRAE Halifax

In 2022, EfficiencyOne initiated a partnership with the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Halifax Chapter to support the mission to promote a culture of energy efficiency in the advancing area of heating ventilation and air conditioning with Nova Scotia's engineers.

In 2023, EfficiencyOne continued to strengthen the partnership. With more than 50,000 members from over 132 nations, ASHRAE targets engineers and architects, students, newcomers, and women in science.

The Halifax Chapter hosts monthly meetings to share knowledge and best practices in designing, constructing, and operating buildings in the best way for the earth they are built on and the people that occupy them.

The new partnership agreement includes subsidizing 25% of the costs for Efficiency Preferred Partners attending monthly upskilling meetings. It also provides at least one monthly meeting focused on energy modelling upskilling.



# IMMIGRANT SERVICES ASSOCIATION OF NOVA SCOTIA

EfficiencyOne's partnership with ISANS focuses on supporting Nova Scotia's immigrant and newcomer communities, providing access to energy efficiency programs, and assistance in looking for employment in the energy efficiency and green sectors.

EfficiencyOne also supports employers in the energy efficiency industry to increase their staff's awareness and knowledge of the benefits that newcomers bring to the workplace.

## 2023 programs

- **Immigrant Youth Employability Program:**  
Green Schools and Efficiency Nova Scotia gave a presentation to an ISANS cohort of youth (aged 15-30) focused on career opportunities within the green sector and at EfficiencyOne.
- **ISANS Intercultural Workplace Program:**  
Offered workshops to members of the EPP Network to support them in recruiting and retaining newcomers to the field.
- **ISANS Business Development Services Program:**  
EfficiencyOne hosted workshops and presentations for small and home-based businesses, educating on the benefits of energy efficiency and Efficiency Nova Scotia programs with the goal of reducing energy usage and increasing comfort.



ISANS information session for small businesses.





Bridging the Gap workshop event.

## BRIDGING THE GAP

Launched in 2021, Bridging the Gap focuses on establishing strong relationships in Mi'kmaq communities across Nova Scotia. In 2023, Ecology Action Centre, in collaboration with Efficiency Nova Scotia, developed educational workshops that shared information on all programs and services Efficiency Nova Scotia offers, tips for lowering energy use at home, the types of jobs available in the energy efficiency industry, and how to access them. These Bridging the Gap workshops took place in Wagmatcook, Membertou, Millbrook, and Potlotek.



Efficiency Nova Scotia staff at Business is Jammin' event.

## BLACK BUSINESS INITIATIVE

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EfficiencyOne hosted Black Nova Scotian students at an energy efficiency-themed science, technology, engineering, and math (STEM) Summer Bootcamp Day. The day was dedicated specifically to green building and energy efficient technologies with STEM-related learning opportunities and hands-on activities.

The Energy Efficiency x Green Building Jobs Career Day for Black Nova Scotian students highlighted the work being done in African Nova Scotian communities to make homes, businesses, and communities more efficient. Students went on a building tour led by industry experts and EfficiencyOne staff that showcased a building with significant upgrades. The tours provided hands-on experience and displayed the type of work, skills, and training needed to access the industry.



Stephen MacDonald, EfficiencyOne President and CEO speaking at the Building to Zero Exchange launch event.

## BUILDING TO ZERO EXCHANGE

EfficiencyOne proudly supports the Building to Zero Exchange, a coalition dedicated to readying Nova Scotia's building sector for a net-zero future.

As a key partner, EfficiencyOne offers strategic guidance, fosters participation growth, and leverages its networks to drive mutual objectives forward. Additionally, Halifax Investment, Innovation and Impact Fund proudly contributes as a funding partner through the Accelerating to Zero grant program.

Given that residential and commercial buildings contribute approximately 40% of Nova Scotia's greenhouse gas emissions, EfficiencyOne's collaboration with Building to Zero Exchange is pivotal in advancing decarbonization efforts and achieving Nova Scotia's net-zero goals.





# ENERGY POVERTY IN NOVA SCOTIA

For over a decade, EfficiencyOne has worked to reduce energy poverty in Nova Scotia.

Energy prices are expected to increase while investments are made to electrify the grid and lower greenhouse gas emissions. This could cause a disproportionate and significant impact on households experiencing energy poverty.

Through a variety of programs designed to support low-income homeowners and tenants, service providers and partners complete energy assessments and energy efficiency upgrades to homes and rental units that will lead to significant energy bill savings.

In 2023, EfficiencyOne published a technical paper, *Energy Poverty and an Equitable Transition to a Net-Zero Carbon Future in Nova Scotia*, that looked closely at the important role that energy efficiency can play in reducing energy poverty in Nova Scotia and the importance of recognizing equity in efforts to do so.

[Read the report →](#)

## Programs provided to support all Nova Scotians

Nova Scotians want to reduce their energy use, lower their energy bills, and take personal action on climate change – and they want our help.

Efficiency Nova Scotia has a suite of programs designed to help low-and moderate-income homeowners make important energy efficiency upgrades, like heat pumps, that will not only make their homes more comfortable, but will help keep money in their pockets at a time when it is needed most.

### HomeWarming

HomeWarming provides no-charge energy assessments and free home upgrades to eligible low-income homeowners. [Learn more.](#)

### Moderate Income Rebates

Moderate-income homeowners can access rebates of up to \$15,000 to make energy efficient upgrades to their homes through the Home Energy Assessment program. [Learn more.](#)

### Oil to Heat Pump Affordability (OHPA) Grant

OHPA provides grants of up to \$15,000 to help low-and moderate-income homeowners who currently heat their homes with oil make the transition to cold climate heat pumps. In Nova Scotia, OHPA can be stacked with HomeWarming and Moderate Income Rebates – providing even more support to Nova Scotians. [Learn more.](#)

# PARTNERING WITH MI'KMAQ COMMUNITIES

The Mi'kmaw Home Energy Efficiency Project (MHEEP) launched in 2018 and offers no-cost upgrades to improve comfort and reduce energy waste within Mi'kmaq communities across the province.

To develop an inclusive program that was tailored to the unique needs of the community, we collaborated with the province of Nova Scotia, housing managers, and community rights holders to determine the best approach for delivering energy efficiency services to band-owned homes.

Together, we are continuing to build greener communities through clean energy that is sustainable now and for future generations.

## MHEEP Impact Report

The MHEEP Impact Report provides an overview of our work completed in each Mi'kmaw community.

[Learn more →](#)



Sheridan Gould, owner of John Boy Gould Electrical.

"Sheridan of John Boy Gould Electrical is very professional. I was worried about workers leaving holes in my walls, but everything was left in excellent condition."

— 2023 MHEEP participant





# HALIFAX CLIMATE INVESTMENT, INNOVATION & IMPACT FUND



(Left to Right) Julia Sable, HCl3; Ravi Kempaiah, Zen Energy; Lara Ryan, Building to Zero Exchange; Honorable Tory Rushton, Minister of Natural Resources and Renewables; Stephen MacDonald, HCl3; Aaliyah Arab-Smith, One North End; Cheyenne Jones, Akoma.

The Halifax Climate Investment, Innovation and Impact (HCl3) Fund, a subsidiary of EfficiencyOne, invests in an inclusive low-carbon future for Halifax/Kijipuktuk, applying a 'multi-solving' approach to all their work. HCl3 seeks to drive down urban greenhouse gas emissions through investments, grants, partnership, and capacity building while promoting social equity, Reconciliation and community benefits, including job creation, affordability, resilience, and a healthy environment. HCl3 is one of seven non-profit organizations that, along with the Federation of Canadian Municipalities, make up the Low Carbon Cities Canada (LC3) Network established thanks to an endowment from the Government of Canada.

## Key accomplishments in 2023 include:

- Played a key role in the development and launch of the province-wide Building to Zero Exchange. HCl3 provided funding through our grant program for the development of this initiative in 2022-23 and for strategic planning and public launch in 2023.
- Received a \$7.5 million contribution from the Province of Nova Scotia, including \$6.5 million as an endowment and \$1 million to support community granting.
- Improved integration of equity and reconciliation into our grant program evaluation criteria, increased representation on the review committee, and 57% of grants were awarded to equity-led or supported projects.



- Awarded \$500,000 in funding to 14 projects through the A2Z grant program and \$20,000 in funding as part of a collaborative partnership. These projects advanced clean transportation options, improved equity and diversity in accessing renewable energy, supported the green building sector and explored new modes of carbon capture and storage.
- Worked closely with Halifax Regional Municipality (HRM) to identify and overcome barriers to achieving the goals outlined in HalifACT, the Municipality's climate plan. This includes looking at ways that HCl3 can support programs offered through HRM.
- Collaborated with the Province of Nova Scotia (PNS) throughout the year, helping to advance their commitments to community climate action in their Climate Change Plan for Clean Growth and coordinating our grants and other activities with provincial programs and initiatives. PNS representatives also participate in our Advisory Group and Investment Committee, and we participated on the review committee for the Sustainable Communities Challenge Fund.

# AFRICAN NOVA SCOTIAN PILOT

Throughout 2023, EfficiencyOne began developing the African Nova Scotian Community Retrofits pilot project. This pilot is being developed in collaboration with African Nova Scotian communities to ensure it is tailored to the unique needs of the communities it will serve.

Early on in the development of this pilot, EfficiencyOne engaged Common Good Solutions to support with community outreach. We also hired a Community Engagement Specialist to build on this outreach and continue to build and strengthen relationships with stakeholders.

Throughout 2023, the two organizations collaborated on outreach and engagement sessions with African Nova Scotian communities.

The goals of this outreach are to introduce the project, engage community members, learn from their valuable insights on the areas of focus, and development for the pilot program.

Seven community research sessions were held with over 150 homeowners in the African Nova Scotian communities in Guysborough and the Preston Townships. The community engagement activities were completed by mid-December 2023.



## These sessions shed light on:

- Areas of opportunity to improve Efficiency Nova Scotia programs
- Demographics of homeowners (average age of residents, how residents heat their homes, age of homes in these communities, and awareness of current Efficiency Nova Scotia programs)
- Accessibility improvements

Moving into 2024, EfficiencyOne is excited to continue the important work of strengthening relationships with African Nova Scotian communities as well as designing and delivering the pilot program.

# HELPING CUSTOMERS TRANSFORM THE WAY THEY USE ENERGY



## **Schoolhouse Gluten Free Mahone Bay, Nova Scotia**

[See how](#) Efficiency Nova Scotia's small business program helped a local business lower its energy bills and keep its door open.



## **HomeWarming Program Melvern Square, Nova Scotia**

[Watch to learn](#) about how the Efficiency Nova Scotia HomeWarming program helped Frances Israel save on her energy bills.



## **Tawaak Housing Truro, Nova Scotia**

[Watch to learn](#) how Tawaak Housing used Efficiency Nova Scotia programs to improve their property portfolio for Indigenous Nova Scotians across the province.



## **Live Stor Sydney, Nova Scotia**

[See how](#) Efficiency Nova Scotia's programs helped a Cape Breton business lower its energy bills and improve its bottom line.



# 2023 FINANCIAL ANALYSIS AND DISCUSSION

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Our consolidated financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. These consolidated financial statements include the assets, liabilities, revenue, and expenses of EfficiencyOne and its subsidiaries, Halifax Climate Investment, Innovation and Impact Fund (HCi3) and EfficiencyOne Services Inc.

## Overview

In 2023, EfficiencyOne achieved 131.6 GWh of electricity savings and 27.577 MW of demand savings, above the targets of 120.7 GWh and 26.9 MW, respectively. In addition, 2.42 MW of available capacity attributed to demand response programs was achieved. Total investment was \$45.3 million. We also achieved 442,724 GJ of energy savings and 22,723 tonnes of GHG reductions from government funded programs in 2023, which helped us get closer to achieving our four-year energy and carbon emissions savings targets on behalf of the Province of Nova Scotia and the Government of Canada. Total investment to achieve these savings was \$47.4 million. We received \$57.6 million from Natural Resources Canada to distribute grants under the Canada Greener Homes and Oil to Heat Pump Affordability programs.

Our subsidiary, HCi3, continued to support carbon reduction initiatives in the Halifax region in 2023. This was a year of growth as the organization received a \$6.5 million endowment from the Province of Nova Scotia and \$1.0 million to support HCi3's grant program over the next 5 years. HCi3's activities are included in the Other Business Fund.

## Our Revenues

EfficiencyOne has two primary revenue sources, represented in our financial statements as two distinct "funds" — the Demand-side Management Fund and the Provincial Fund. The Other Business Fund reports funding from Natural Resources Canada, activities of our subsidiaries, HCi3 and EfficiencyOne Services Inc., and funding received from other sources.



## The Demand-Side Management Fund

Under a fee-for-service agreement as approved by the Nova Scotia Utility and Review Board (“NSUARB”), EfficiencyOne will receive \$173.0 million from Nova Scotia Power from 2023 – 2025 to provide Demand Side Management (DSM) services. In 2023, the amount received was \$53.0 million with \$45.3 million of this spent during the year, resulting in an underspend of \$7.7 million, reflective of the mix of programs achieving the savings. The unspent funds will be reinvested over the remaining two years of the agreement to ensure contractual performance targets are met.

## The Provincial Fund

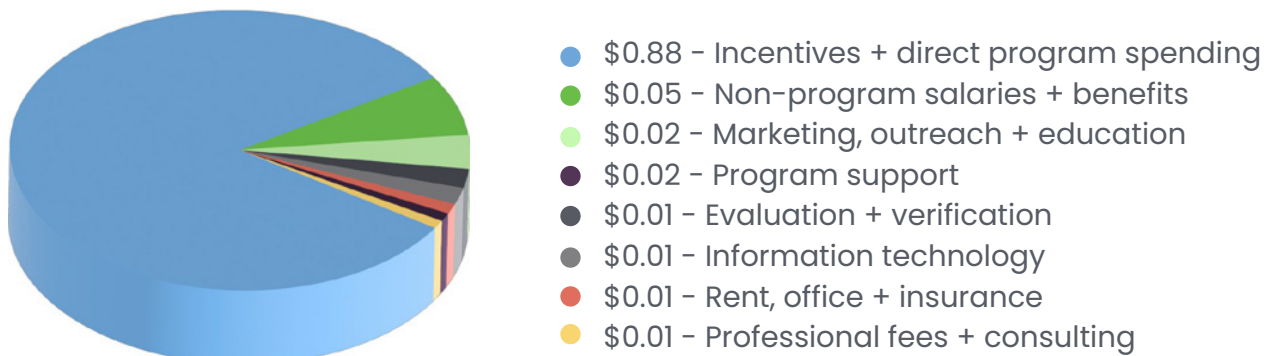
In 2023, EfficiencyOne received \$170.0 million from the Province of Nova Scotia under fee-for-service agreements to support non-electric efficiency and low carbon services. Total investment was \$47.4 million with the additional \$122.6 million of funding deferred to support programs in the future.

## The Other Business Fund

In 2023, EfficiencyOne received \$57.6 million in funding from Natural Resources Canada to execute the Canada Greener Homes Grant and Oil to Heat Pump Affordability initiative. HCi3 earned \$0.3 million in investment income and recognized \$0.3 million in other revenue. In 2023, EfficiencyOne Services reported net loss of \$0.003 million.

## Our Investment

This chart provides a breakdown of how each dollar invested in energy efficiency was spent in 2023. Approximately 88 cents of every dollar was directly spent on programs. This includes spending on customer incentives, as well as compensation for staff who work directly on programs.



\*numbers may not add up due to rounding





## Accountability and Oversight

EfficiencyOne has several controls and processes in place to ensure transparency and oversight of performance. DSM services are regulated by the NSUARB, which approves DSM plans that outline the overall investment in DSM services and the corresponding savings for ratepayers. EfficiencyOne files publicly available, quarterly, and annual reports with the NSUARB highlighting DSM spending and activity.

Non-electric efficiency and low carbon agreements are governed by a fee-for-service agreement with the Province of Nova Scotia, which receives monthly, quarterly and annual reports from us on non-electric efficiency and low carbon spending and activity.

An Affiliate Code of Conduct governs all interactions between EfficiencyOne and its subsidiaries. To further ensure the transparency and accountability of spending and other activity, EfficiencyOne is subject to a number of independent, third-party audits and evaluations. These are summarized in the following table:

| Independent Audits and Evaluations |  |
|------------------------------------|--|
| Financial Statement Audit          | Ensures financial statements are free of material misstatement.  |
| Cost Allocation Audit              | Ensures just and reasonable allocation of costs between electrical efficiency and non-electrical efficiency services.  |
| Program Evaluation                 | Ensures effectiveness of EfficiencyOne's program design and delivery, and that energy savings are measured accurately. |
| Program Verification by the NSUARB | Verifies that efficiency projects were implemented effectively, and that energy savings are correctly measured.        |
| Other Audits and Evaluations       | Examines EfficiencyOne's organizational practices and internal systems.  |



**EFFICIENCYONE**  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2023

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|   |      |
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# Independent auditor's report

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To the Board of Directors of EfficiencyOne

## Opinion

We have audited the consolidated financial statements of EfficiencyOne ("the Corporation"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of EfficiencyOne as at December 31, 2023, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that

the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation and the corporations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

We have audited the Corporation's compliance, as at December 31, 2023, with the cost allocation criteria established by the Efficiency Nova Scotia Cost Allocation Methodology Report as filed with the Nova Scotia Utility and Review Board. Compliance with the Cost allocation criteria is the responsibility of the Corporation's management. Our responsibility is to express an opinion on this compliance based on our audit.

Halifax, Canada  
March 27, 2024

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants



## EFFICIENCYONE

### CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2023 (IN THOUSANDS)

|  | Demand-Side<br>Management<br>Fund | Provincial<br>Fund | Other Business<br>Fund | 2023           | 2022          |
|--|-----------------------------------|--------------------|------------------------|----------------|---------------|
| <b>REVENUES</b>                                      |                                   |                    |                        |                |               |
| Efficiency Nova Scotia (Note 3)                      | \$ 44,503                         | \$ 37,108          | \$ -                   | \$ 81,611      | \$ 78,772     |
| Other (Note 3)                                       | -                                 | -                  | 58,147                 | 58,147         | 5,788         |
| Investment income (Note 4)                           | -                                 | -                  | 321                    | 321            | 281           |
| Interest   | 768                               | 10,337             | 323                    | 11,428         | 2,919         |
|  | <u>45,271</u>                     | <u>47,445</u>      | <u>58,791</u>          | <u>151,507</u> | <u>87,760</u> |
| <b>DIRECT COSTS</b>                                  |                                   |                    |                        |                |               |
| Incentives   | 29,437                            | 38,024             | 54,673                 | 122,134        | 63,191        |
| Evaluation and verification                          | 1,330                             | 257                | -                      | 1,587          | 1,418         |
| Program support                                      | 433                               | 219                | 542                    | 1,194          | 1,425         |
|  | <u>31,200</u>                     | <u>38,500</u>      | <u>55,215</u>          | <u>124,915</u> | <u>66,034</u> |
| <b>OTHER PROGRAM AND ADMINISTRATIVE COSTS</b>        |                                   |                    |                        |                |               |
| Amortization (Note 7)                                | 213                               | 133                | -                      | 346            | -             |
| Bad debts  | 4                                 | -                  | -                      | 4              | 52            |
| Information technology                               | 535                               | 455                | 420                    | 1,410          | 1,145         |
| Marketing, outreach, education, and research         | 2,169                             | 1,225              | 344                    | 3,738          | 3,571         |
| Meetings and travel                                  | 95                                | 98                 | 80                     | 273            | 376           |
| Office and insurance                                 | 214                               | 201                | 217                    | 632            | 436           |
| Professional fees and consulting                     | 593                               | 324                | 277                    | 1,194          | 813           |
| Rent   | 419                               | 262                | 84                     | 765            | 725           |
| Salaries and benefits                                | 9,588                             | 6,062              | 2,022                  | 17,672         | 14,288        |
| Training and development                             | 242                               | 184                | 131                    | 557            | 320           |
|  | <u>14,071</u>                     | <u>8,945</u>       | <u>3,576</u>           | <u>26,592</u>  | <u>21,726</u> |
| <b>TOTAL COSTS</b>                                   | <u>45,271</u>                     | <u>47,445</u>      | <u>58,791</u>          | <u>151,507</u> | <u>87,760</u> |
| <b>NET SURPLUS FROM OPERATIONS</b>                   | -                                 | -                  | -                      | -              | -             |
| <b>INCOME (LOSS) PICKUP FROM SUBSIDIARY (Note 6)</b> | -                                 | -                  | 3                      | 3              | (2)           |
| <b>TOTAL SURPLUS (DEFICIT)</b>                       | \$ -                              | \$ -               | \$ 3                   | \$ 3           | \$ (2)        |

See accompanying notes to the consolidated financial statements

## EFFICIENCYONE

### CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2023 (IN THOUSANDS)

|  | Unrestricted  | Endowment        | 2023             | 2022             |
|--|---------------|------------------|------------------|------------------|
| <b>Fund balance, beginning of the year</b>               | \$ 147        | \$ 13,745        | \$ 13,892        | \$ 15,180        |
| Net surplus (deficit)                                    | 3             | -                | 3                | (2)              |
| Endowment contributions from the Province of Nova Scotia | -             | 6,500            | 6,500            | -                |
| Unrealized fair market value adjustments (Note 4)        | -             | 1,184            | 1,184            | (1,286)          |
| <b>Fund balance, end of the year</b>                     | <b>\$ 150</b> | <b>\$ 21,429</b> | <b>\$ 21,579</b> | <b>\$ 13,892</b> |

See accompanying notes to the consolidated financial statements

# EFFICIENCYONE

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023 (IN THOUSANDS)

|   | Demand-Side<br>Management<br>Fund | Provincial<br>Fund | Other Business<br>Fund | 2023              | 2022              |
|---|-----------------------------------|--------------------|------------------------|-------------------|-------------------|
| <b>ASSETS</b>   |                                   |                    |                        |                   |                   |
| <b>CURRENT</b>  |                                   |                    |                        |                   |                   |
| Cash  | \$ 16,875                         | \$ 23,189          | \$ 2,662               | \$ 42,726         | \$ 51,216         |
| Accounts receivable                                       | 924                               | 37,150             | 22,501                 | 60,575            | 7,889             |
| HST receivable  | 528                               | 561                | 45                     | 1,134             | 585               |
| Prepays   | 703                               | 758                | 307                    | 1,768             | 1,437             |
| Short-term investments (Note 4)                           | -                                 | 120,000            | -                      | 120,000           | 60,000            |
| Loan receivable (Note 5)                                  | -                                 | -                  | -                      | -                 | 5,007             |
|   | 19,030                            | 181,658            | 25,515                 | 226,203           | 126,134           |
| <b>INVESTMENTS (Note 4)</b>                               | -                                 | 60,000             | 21,474                 | 81,474            | 13,835            |
| <b>INVESTMENT IN EFFICIENCYONE SERVICES INC. (Note 6)</b> | -                                 | -                  | 146                    | 146               | 142               |
| <b>CAPITAL ASSETS (Note 7)</b>                            | 942                               | 591                | -                      | 1,533             | -                 |
|   | <b>\$ 19,972</b>                  | <b>\$ 242,249</b>  | <b>\$ 47,135</b>       | <b>\$ 309,356</b> | <b>\$ 140,111</b> |
| <b>LIABILITIES</b>  |                                   |                    |                        |                   |                   |
| <b>CURRENT</b>  |                                   |                    |                        |                   |                   |
| Accounts payable and accrued liabilities                  | \$ 7,407                          | \$ 6,652           | \$ 22,381              | \$ 36,440         | \$ 12,229         |
| Deferred revenue (Note 9)                                 | 5,103                             | 34,888             | 908                    | 40,899            | 40,763            |
| HST payable   | 699                               | 247                | 4                      | 950               | 1,009             |
| Loan payable (Note 5)                                     | -                                 | -                  | -                      | -                 | 5,007             |
|   | 13,209                            | 41,787             | 23,293                 | 78,289            | 59,008            |
| <b>DEFERRED REVENUE (Note 9)</b>                          | 6,763                             | 200,462            | 2,263                  | 209,488           | 67,211            |
|   | <b>19,972</b>                     | <b>242,249</b>     | <b>25,556</b>          | <b>287,777</b>    | <b>126,219</b>    |
| <b>FUND BALANCES</b>                                      |                                   |                    |                        |                   |                   |
| Unrestricted  | -                                 | -                  | 150                    | 150               | 147               |
| Endowment   | -                                 | -                  | 21,429                 | 21,429            | 13,745            |
|   | -                                 | -                  | 21,579                 | 21,579            | 13,892            |
|   | <b>\$ 19,972</b>                  | <b>\$ 242,249</b>  | <b>\$ 47,135</b>       | <b>\$ 309,356</b> | <b>\$ 140,111</b> |

### CONTINGENCIES (Note 10) AND COMMITMENTS (Note 11)

Approved by the Board



William (Bill) Lahey  
Chair, Board of Directors



Sean O'Connor  
Chair, Finance Committee

See accompanying notes to the consolidated financial statements

# EFFICIENCYONE

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023 (IN THOUSANDS)

|  | Demand-Side<br>Management<br>Fund |         | Provincial<br>Fund |           | Other Business<br>Fund |          | 2023 |           | 2022 |          |
|--|-----------------------------------|---------|--------------------|-----------|------------------------|----------|------|-----------|------|----------|
| CASH PROVIDED BY (USED FOR):                             |                                   |         |                    |           |                        |          |      |           |      |          |
| OPERATING  |                                   |         |                    |           |                        |          |      |           |      |          |
| Total surplus (deficit)                                  | \$                                | -       | \$                 | -         | \$                     | 3        | \$   | 3         | \$   | (2)      |
| Items not affecting cash:                                |                                   |         |                    |           |                        |          |      |           |      |          |
| Amortization   |                                   | 213     |                    | 133       |                        | -        |      | 346       |      | -        |
|  |                                   | 213     |                    | 133       |                        | 3        |      | 349       |      | (2)      |
| Changes in non-cash working capital items                |                                   |         |                    |           |                        |          |      |           |      |          |
| Accounts receivable                                      |                                   | (363)   |                    | (31,058)  |                        | (21,265) |      | (52,686)  |      | 18,553   |
| HST receivable   |                                   | (251)   |                    | (259)     |                        | (39)     |      | (549)     |      | (169)    |
| Prepays  |                                   | (228)   |                    | 154       |                        | (257)    |      | (331)     |      | (180)    |
| Accounts payable and accrued liabilities                 |                                   | 823     |                    | 2,258     |                        | 21,129   |      | 24,210    |      | 4,997    |
| Deferred revenue   |                                   | 8,224   |                    | 132,991   |                        | 1,197    |      | 142,412   |      | 44,558   |
| HST payable  |                                   | 171     |                    | (226)     |                        | (4)      |      | (59)      |      | (1,841)  |
|  |                                   | 8,589   |                    | 103,993   |                        | 764      |      | 113,346   |      | 65,916   |
| FINANCING  |                                   |         |                    |           |                        |          |      |           |      |          |
| Endowment contributions from the Province of Nova Scotia |                                   | -       |                    | -         |                        | 6,500    |      | 6,500     |      | -        |
| Loan repayments  |                                   | (5,007) |                    | -         |                        | -        |      | (5,007)   |      | (4,895)  |
|  |                                   | (5,007) |                    | -         |                        | 6,500    |      | 1,493     |      | (4,895)  |
| INVESTING  |                                   |         |                    |           |                        |          |      |           |      |          |
| Acquisition of capital assets                            |                                   | (1,155) |                    | (724)     |                        | -        |      | (1,879)   |      | -        |
| Purchase of investments                                  |                                   | -       |                    | (255,000) |                        | (6,831)  |      | (261,831) |      | (65,820) |
| Proceeds on sale of investments                          |                                   | -       |                    | 135,000   |                        | 331      |      | 135,331   |      | 5,820    |
| Reinvested distributions, net                            |                                   | -       |                    | -         |                        | 46       |      | 46        |      | (48)     |
| Income pickup from subsidiary                            |                                   | -       |                    | -         |                        | (3)      |      | (3)       |      | 2        |
| Loan repayments  |                                   | 5,007   |                    | -         |                        | -        |      | 5,007     |      | 4,895    |
|  |                                   | 3,852   |                    | (120,724) |                        | (6,457)  |      | (123,329) |      | (55,151) |
| CHANGE IN CASH   |                                   | 7,434   |                    | (16,731)  |                        | 807      |      | (8,490)   |      | 5,870    |
| CASH - BEGINNING OF YEAR                                 |                                   | 9,441   |                    | 39,920    |                        | 1,855    |      | 51,216    |      | 45,346   |
| CASH - END OF YEAR                                       | \$                                | 16,875  | \$                 | 23,189    | \$                     | 2,662    | \$   | 42,726    | \$   | 51,216   |

See accompanying notes to the consolidated financial statements

## EFFICIENCYONE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (IN THOUSANDS)

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#### 1. NATURE OF OPERATIONS

EfficiencyOne (“the Corporation”) was incorporated in July 2014 under the Canada Not-for-profit Corporations Act.

Under Section 79C of the Public Utilities Act, the Corporation, as the franchise holder, has the exclusive right to supply Nova Scotia Power Inc. (“NS Power”) with reasonably available, cost-effective demand-side management.

The Corporation is a not-for-profit organization under the meaning assigned in the Income Tax Act and as such is exempt from income taxes under Section 149(1)(l). The Corporation holds endowment funds, through its subsidiary Halifax Climate Investment, Innovation and Impact Fund (“HCl3”), in trust on behalf of the Federation of Canadian Municipalities (“FCM”) as trustee of the Green Municipal Fund, and on behalf of the Province of Nova Scotia. The endowment funds are to be maintained in perpetuity. Investment income earned on endowment funds is attributable to the contributor for tax purposes. Accordingly, no provision has been made in the accounts for income taxes.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### Basis of accounting and consolidation

These consolidated financial statements include the assets, liabilities, revenue and expenses of the Corporation and its subsidiary HCl3.

The Corporation accounts for investment in EfficiencyOne Services Inc. using the equity method.

These consolidated financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

##### Fund accounting

a) The Demand-Side Management (“DSM”) Fund is used to account for the operations of the Corporation including the fee-for-service revenues received and expenses incurred for the delivery of DSM programs and services. The Supply Agreement for Electricity Efficiency and Conservation Activities

(“EECA”) with Nova Scotia Power is approved by the Nova Scotia Utility and Review Board (“NSUARB”). Cash received under the DSM Fund is only used for operations of the fund. Interest income earned on cash received is retained within the fund and restricted for operations of the fund.

b) The Provincial (“PNS”) Fund is used to account for the operations of the Corporation including the fee-for-service revenues received and expenses incurred for the delivery of PNS programs and services according to the terms of the contracts with the Province of Nova Scotia. Cash received under the PNS Fund is only used for operations of the fund. Interest income earned on cash received is retained within the fund and restricted for operations of the fund.

c) The Other Business Fund is used to account for subsidiary operations and other non-DSM and non-PNS activities. Interest and investment income earned on cash received is retained within the fund and restricted for operations of the fund.

##### Revenue recognition

The Corporation follows the deferral method of accounting for revenue. Restricted fee-for-service or contribution revenue is recognized as revenue within the appropriate fund in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets are recognized on the same basis as the amortization expense related to the acquired assets. Endowment contributions are presented as direct increases to net assets.

Restricted interest income on interest bearing deposits is recognized as revenue in the DSM, PNS or Other Business Fund in the year in which the revenue is earned.

Investment income earned on the HCl3 endowments and available for expenditure is allocated to the Other Business Fund, as determined by externally imposed restrictions. All other investment income earned on the HCl3 endowments is recorded as direct increases or decreases to net assets.



**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Expense recognition**

The Corporation recognizes incentive costs, such as customer rebates, when energy savings are recognized. Energy savings are recognized at milestones within a contract or when the contract is complete. An accrued liability for incentive costs is established when energy savings have been recognized and payment is yet to be made.

All other expenses are recorded when incurred.

**Cash**

The Corporation recognizes bank balances and interest-bearing deposits with a maturity period of three months or less from the date of acquisition under cash. The Corporation manages its cash according to its cash needs, in accordance with the Corporation's investment policy.

**Financial instruments**

The Corporation initially measures its financial assets and financial liabilities at fair value. Investments are subsequently measured at fair value and all remaining financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable and loan receivable. Financial liabilities measured at amortized cost include accounts payable and loan payable.

*Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in net surplus. Any previously recognized impairment loss may be reversed to the extent of its improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of a reversal is recognized in net surplus.

*Related party transactions*

Financial assets and financial liabilities obtained in related party transactions are initially measured at cost. Gains or losses arising on initial measurement differences are generally recognized in net surplus when the transactions are in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Corporation initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets.

**Investments**

Investments consist of a mix of guaranteed investment certificates and pooled fund investments. All investments are stated at fair value on a trade date basis. Any change in fair value is reflected as direct increases or decreases to net assets. Pooled fund investments are valued at the unit values supplied by the pooled fund administrator, which represent the Corporation's proportionate share of underlying net assets at fair values determined using closing market prices.

Fixed income investments maturing within one year from the Consolidated Statement of Financial Position date are reflected as short-term investments.

**Capital assets**

Capital assets are initially recorded at cost. Amortization is provided for using the following rates and method over their estimated useful lives:

|                        |               |               |
|------------------------|---------------|---------------|
| Furniture and fixtures | 3 years       | Straight-line |
| Leasehold improvements | Term of lease | Straight-line |

## EFFICIENCYONE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (IN THOUSANDS)

#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Cost allocation methodology

The Corporation follows a Cost Allocation Methodology ("CAM") to allocate expenses not directly related to a fund, as disclosed in Note 13. There was no change to the CAM from prior years.

##### Use of estimates

The preparation of the consolidated financial statements in accordance with Canadian Accounting Standards for Not-For-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items and matters such as allowance for doubtful accounts, useful lives of capital assets, commitments, fair market value of investments, and certain accrued liabilities. Actual results could differ from those estimates.

#### 3. REVENUE AND CONTRACTUAL RIGHTS

##### Efficiency Nova Scotia Revenue

Effective January 1, 2023, the Corporation entered into a three-year supply agreement with NS Power to provide demand-side management. The agreement provided funding of \$173,000 over three years in monthly installments until December 31, 2025. In 2023, fee-for-service revenue was \$53,000 (2022 - \$41,000).

The Corporation has entered into multi-year fee-for-service agreements with the Province of Nova Scotia. The contract term, payment frequency and annual amounts are summarized below:

|  |                  |    | 2023    | 2022      |
|--|------------------|----|---------|-----------|
| <b>HEA, Green Heat, EPI Agreement</b>                      |                  |    |         |           |
| March 21, 2023 - March 31, 2026                            | Lump Sum         | \$ | 85,000  | \$ -      |
| <b>Homewarming Services Agreement</b>                      |                  |    |         |           |
| March 21, 2023 - March 31, 2027                            | Lump Sum + Qtrly | \$ | 66,500  | \$ -      |
| <b>Advanced Home Services</b>                              |                  |    |         |           |
| March 11, 2023 - March 31, 2027                            | Lump Sum         | \$ | 12,000  | \$ -      |
| <b>Mi'kmaw Home Energy Efficiency</b>                      |                  |    |         |           |
| March 30, 2023 - March 31, 2028                            | Quarterly        | \$ | 2,883   | \$ -      |
| <b>Low Income Homeowner</b>                                |                  |    |         |           |
| March 21, 2019 - March 31, 2023                            | Quarterly        | \$ | 2,066   | \$ 8,264  |
| <b>Other Provincial Pilot Programs</b>                     |                  |    |         |           |
| March 21, 2020 - March 31, 2028                            | Lump Sum         | \$ | 1,650   | \$ 5,540  |
| <b>Residential Low Income, Equity and Off Oil Programs</b> |                  |    |         |           |
| March 31, 2022 - March 31, 2027                            | Lump Sum         | \$ | -       | \$ 50,000 |
| <b>Small Business Energy Solutions</b>                     |                  |    |         |           |
| March 31, 2021 - March 31, 2027                            | Lump Sum         | \$ | -       | \$ 7,000  |
| <b>Non-Electric Residential</b>                            |                  |    |         |           |
| June 6, 2018 - December 31, 2024                           | Quarterly        | \$ | -       | \$ 6,578  |
| <b>Mi'kmaw Home Energy Efficiency</b>                      |                  |    |         |           |
| March 21, 2019 - March 31, 2023                            | Quarterly        | \$ | -       | \$ 3,125  |
| <b>Low Income Multi-Family Housing</b>                     |                  |    |         |           |
| March 21, 2019 - March 31, 2023                            | Annually         | \$ | -       | \$ 2,000  |
|  |                  | \$ | 170,099 | \$ 82,507 |

## EFFICIENCYONE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (IN THOUSANDS)

#### 3. REVENUE AND CONTRACTUAL RIGHTS (continued)

##### Other Revenue

Effective April 1, 2022, the Corporation entered into a five-year contribution agreement with Natural Resources Canada to execute the Canada Greener Homes Grant Program. Effective April 1, 2023, the agreement was amended to include funding for the Oil to Heat-pump Affordability Program. The agreement provides total funding of \$198,844, and of this contribution, \$57,603 (2022 - \$1,161) was recognized as revenue in the current year.

During the year, the Corporation recognized \$348 in revenue from HCl3 (2022 - \$658) and \$196 from other sources (2022 - \$3,969).

|  | Demand-Side<br>Management<br>Fund | Provincial<br>Fund | Other<br>Business<br>Fund | 2023       | 2022       |
|--|-----------------------------------|--------------------|---------------------------|------------|------------|
| Fee-for-service revenue                  | \$ 53,000                         | \$ 170,099         | \$ -                      | \$ 223,099 | \$ 123,507 |
| Other revenue                            | -                                 | -                  | 59,220                    | 59,220     | 5,541      |
| Recognition/<br>(Deferral) of<br>revenue | (8,497)                           | (132,991)          | (1,073)                   | (142,561)  | (44,488)   |
|  | \$ 44,503                         | \$ 37,108          | \$ 58,147                 | \$ 139,758 | \$ 84,560  |

#### 4. INVESTMENTS

The Corporation's investments in guaranteed investment certificates are made in accordance with the Corporation's investment policy. The objective of the policy is to ensure excess cash is invested in a manner that safely preserves the principal while optimizing returns.

Investments in pooled funds are held by an investment manager and are measured at market value. All market-based investments are made in accordance with HCl3's investment policy.

|  | 2023             | 2022             |
|--|------------------|------------------|
| GIC, due February 5, 2024, 5.58% per annum                 | \$ 60,000        | \$ -             |
| GIC, due April 5, 2024, 5.58% per annum                    | 60,000           | -                |
| GIC, due April 4, 2025, 5.26% per annum                    | 60,000           | -                |
| GIC, redeemed  | -                | 60,000           |
| Fiera ASFI – Active Canadian Bonds Universe Fund – Class A | 4,143            | 2,530            |
| Fiera ASFI – Active Short-term Bond Fund – Class A         | 4,011            | 2,525            |
| Fiera Atlas Global Companies Fund – Class A                | 4,030            | 2,506            |
| Fiera Diversified Lending Fund – Class A                   | 3,172            | 2,221            |
| ACM Commercial Mortgage Fund                               | 2,127            | 1,450            |
| Fiera Diversified Real Assets Fund – Class A               | 2,160            | 1,534            |
| Fiera Canadian Equity Fossil Fuel Free Fund – Class A      | 1,670            | 1,038            |
| Fiera Short-term Investment Fund – Class A                 | 161              | 31               |
|  | <b>201,474</b>   | <b>73,835</b>    |
| Less: short-term investments                               | <b>120,000</b>   | <b>60,000</b>    |
|  | <b>\$ 81,474</b> | <b>\$ 13,835</b> |

##### Investment income:

Investment income earned from endowments consists of distributions from various pooled fund investments as listed above, as well as interest on cash deposits and unrealized gains or losses due to changes in fair market value.

The investment income earned from endowments is recognized in the Consolidated Statement of Operations as it becomes available for expenditure. The total investment income earned during the year and its allocation is summarized below:

## EFFICIENCYONE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (IN THOUSANDS)

#### 4. INVESTMENTS (continued)

|  | 2023          | 2022          |
|--|---------------|---------------|
| Investment distributions                 | \$ 521        | \$ 407        |
| Realized loss on sale of investments     | (22)          | (4)           |
| Investment management fees               | (54)          | (53)          |
| Change in fair market value              | 1,184         | (1,286)       |
| <b>Total investment income</b>           | <b>1,629</b>  | <b>(936)</b>  |
| Stabilization allocation (i)             | (30)          | (69)          |
| Deferred in Other Business Fund          | (94)          | -             |
| Unrealized fair market value adjustments | (1,184)       | 1,286         |
| <b>Recognized investment income</b>      | <b>\$ 321</b> | <b>\$ 281</b> |

- i. The Stabilization allocation is an amount held in reserve and used for the purpose of funding eligible expenses in years where annual investment proceeds are less than expected.

#### 5. LOAN RECEIVABLE/PAYABLE

The NSUARB requested that the Corporation assess the viability of external financing of NS Power's DSM deferral balance of \$35,000 from 2015 ("2015 DSM Deferral"). The Corporation determined that such external financing could result in savings for NS Power customers. In April 2016, the NSUARB directed the Corporation to proceed with funding of the unamortized portion of the 2015 DSM Deferral in accordance with the arrangements previously explored and described by the Corporation in a filing to the NSUARB dated February 16, 2016. On December 1, 2016 the Corporation borrowed the sum of \$30,625 from the Toronto Dominion Bank ("TD") with a fixed interest rate of 2.355% repayable in 84 equal monthly payments. The loan matured on December 1, 2023.

On December 1, 2016 the Corporation advanced the sum of \$30,625 to NS Power and entered into an Undertaking to Pay with NS Power, whereby NS

Power was obligated to make 84 equal monthly payments that correspond in amount and timing of those the Corporation is obligated to make to TD.

In accordance with direction from the NSUARB, the Corporation finalized another loan arrangement on February 1, 2017 with TD in the amount of \$2,048 representing the accrued return earned by NS Power on the 2015 DSM Deferral. On February 1, 2017 the Corporation borrowed the sum of \$2,048 from TD which was repayable in 82 equal monthly payments. On the same date, the Corporation advanced the sum of \$2,048 to NS Power and entered into an Undertaking to Pay with NS Power, whereby NS Power was obligated to make 82 equal monthly payments that correspond exactly to the amount and timing of those the Corporation is obligated to make to TD.

Both loans were repaid in full in 2023.

#### 6. INVESTMENT IN EFFICIENCYONE SERVICES INC.

The investment represents a 100% interest in the common shares of EfficiencyOne Services Inc. as follows:

|   | 2023          | 2022          |
|---|---------------|---------------|
| Common shares, at cost                                | \$ -          | \$ -          |
| Equity in cumulative net earnings since incorporation | 146           | 142           |
|   | <b>\$ 146</b> | <b>\$ 142</b> |

Summarized financial information of EfficiencyOne Services Inc. as at December 31, 2023 is as follows:

#### FINANCIAL POSITION

|                                   | 2023          | 2022          |
|-----------------------------------|---------------|---------------|
| Assets                            | \$ 149        | \$ 145        |
| Liabilities                       | 3             | 3             |
| Equity                            | 146           | 142           |
| <b>Total Liability and Equity</b> | <b>\$ 149</b> | <b>\$ 145</b> |

## EFFICIENCYONE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (IN THOUSANDS)

#### 6. INVESTMENT IN EFFICIENCYONE SERVICES INC. (continued)

##### RESULTS OF OPERATIONS

|   | 2023 | 2022   |
|---|------|--------|
| Revenue   | \$ 7 | \$ 4   |
| Expenses (including a provision for (recovery of) income tax) | 4    | 6      |
| Net Earnings (Loss)   | \$ 3 | \$ (2) |

##### CASH FLOW

|                            | 2023   | 2022   |
|----------------------------|--------|--------|
| Operating                  | \$ 4   | \$ 1   |
| Change in Cash             | 4      | 1      |
| Cash - beginning of period | 145    | 144    |
| Cash - end of period       | \$ 149 | \$ 145 |

The Corporation renders technical, administrative, and marketing services of a routine nature to EfficiencyOne Services Inc. and the value of these services is measured on a fully allocated cost basis, which is the amount of consideration established and agreed to by the related parties. The cost of these services amounted to \$1 in 2023 (2022 - \$3).

Included in accounts receivable as of December 31 was \$1 (2022 - \$1) due from EfficiencyOne Services Inc.

On August 29, 2017 the NSUARB approved the Corporation's Code of Conduct ("the Code"). The Code governs transactions between the Corporation's electricity efficiency and conservation activities and its Affiliates.

#### 7. CAPITAL ASSETS

|                        | Cost     | Accumulated Amortization | Net 2023 | Net 2022 |
|------------------------|----------|--------------------------|----------|----------|
| Furniture and fixtures | \$ 535   | \$ 178                   | \$ 357   | \$ -     |
| Leasehold improvements | 1,344    | 168                      | 1,176    | -        |
|                        | \$ 1,879 | \$ 346                   | \$ 1,533 | \$ -     |

During the year, the Corporation purchased \$1,879 of furniture and fixtures and leasehold improvements. \$1,155 was funded from the DSM Fund and \$724 from the PNS Fund. The funded amounts were based on the Full Time Equivalent ("FTE") allocator of staff resources assigned to the programs as defined in the CAM.

#### 8. BANK INDEBTEDNESS

The Corporation has an operating demand loan of credit available in the amount of \$7,500 bearing interest at the bank prime rate, payable monthly. At year end, the Corporation had no draws against the line of credit (2022 - \$nil). The demand loan is secured by a first ranking general security agreement.



## EFFICIENCYONE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (IN THOUSANDS)

#### 9. DEFERRED REVENUE

|  | Demand-Side<br>Management<br>Fund | Provincial<br>Fund | Other<br>Business<br>Fund | 2023              | 2022             |
|--|-----------------------------------|--------------------|---------------------------|-------------------|------------------|
| Opening                                      | \$ 3,642                          | \$ 102,359         | \$ 1,973                  | <b>\$ 107,974</b> | \$ 63,416        |
| Recognition of prior years' deferred revenue | -                                 | (30,837)           | (229)                     | <b>(31,066)</b>   | (26,723)         |
| Recognition of 2019 Deferred Revenue         | (273)                             | -                  | -                         | <b>(273)</b>      | -                |
| Deferral of current year revenue             | 8,497                             | 163,828            | 1,303                     | <b>173,628</b>    | 71,212           |
| Deferral of investment income (Note 4)       | -                                 | -                  | 124                       | <b>124</b>        | 69               |
|  | 11,866                            | 235,350            | 3,171                     | <b>250,387</b>    | 107,974          |
| Less: current portion                        | 5,103                             | 34,888             | 908                       | <b>40,899</b>     | 40,763           |
|  | <b>\$ 6,763</b>                   | <b>\$ 200,462</b>  | <b>\$ 2,263</b>           | <b>\$ 209,488</b> | <b>\$ 67,211</b> |

#### 10. CONTINGENCIES

The Corporation has an agreement with NS Power to extend financing to certain Business, Non-Profit and Institutional ("BNI") customers participating in either the Small Business Energy Solutions, Affordable Multi-Family Housing, BNI Custom, or Business Energy Rebates programs. Those customers are approved by NS Power for repayment terms up to 48 months. Financing costs related to the principal are paid to NS Power by the Corporation monthly and are considered part of the applicable program cost. The Corporation is contingently liable to cover defaults on principal amounts outstanding.

A liability of \$51 (2022 - \$52) has been established for accounts at risk. On December 31, 2023, the balance of total financing extended was \$2,007 (2022 - \$2,030).

#### 11. COMMITMENTS

a) In the course of business, the Corporation approves customer applications that offer future incentive payments based on the completion of program criteria within a specific time frame.

The value of these commitments is estimated at \$93,737 (2022 - \$34,662) with the DSM Fund share of \$12,174 (2022 - \$14,627), the PNS Fund share of \$45,464 (2022 - \$20,035) and the Other Business Fund share of \$36,099 (2022 - \$nil). The estimate is calculated on an individual program basis as of December 31, 2023.

| Program                         | Basis of Estimate  |
|---------------------------------|--|
| Home Energy Assessment          | Number of eligible homes anticipated to complete the program at the historical average rebate rate plus final audit costs to be paid to Delivery Agents. |
| SolarHomes                      | Number of approved customers anticipated to complete the program at the historical average rebate rate.  |
| Mi'kmaw Home Energy Efficiency  | Total number of committed homes at the historical average cost per home plus final audit costs.  |
| Affordable Multi-Family Housing | Approved customers and rebate amounts.   |
| Low Income Homeowner Service    | Number of qualified customers whose application had been assigned to a Delivery Agent at the historical average cost per home plus final audit costs.    |
| Small Business Energy Solutions | Approved customers and rebate amounts.   |
| Custom                          | Approved customers and rebate amounts.   |

The Corporation has multi-year fee-for-service agreements in place with NS Power, the Province of Nova Scotia and Natural Resources Canada which will enable the Corporation to meet these future commitments.

## EFFICIENCYONE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (IN THOUSANDS)

#### 11. COMMITMENTS (continued)

b) The Corporation has entered into a lease agreement, expiring December 31, 2030, for the rental of its office premises. Minimum annual lease payments over the term of the agreement are as follows:

| Year | Annual Lease Payments |
|------|-----------------------|
| 2024 | 307                   |
| 2025 | 307                   |
| 2026 | 316                   |
| 2027 | 316                   |
| 2028 | 316                   |
| 2029 | 316                   |
| 2030 | 316                   |

#### 12. RISK MANAGEMENT

The Corporation is exposed to risks associated with its financial instruments as follows:

|  | Risks  |           |        |
|--|--------|-----------|--------|
|  | Credit | Liquidity | Market |
| Cash                                     | X      |           | X      |
| Accounts receivable                      | X      |           |        |
| Accounts payable and accrued liabilities |        | X         | X      |
| Investments                              |        |           | X      |

The Corporation's risk exposure has increased from the prior year, due to the overall increase in financial instruments.

##### a) Credit risk

Credit risk arises from the possibility of one of the parties to a transaction defaulting on its financial obligations.

##### i) Cash

Credit risk associated with cash is minimized by investing these assets in short-term interest-bearing deposits of a Canadian bank with credit ratings that comply with the Corporation's banking and investment policy.

##### ii) Accounts receivable and loan receivable

Credit risk associated with accounts receivable is mitigated by the fact that the majority of receivables outstanding are from NS Power, which is a regulated public utility, mandated by its regulator to fund DSM activities.

##### b) Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they come due. It stems from the possibility of a delay in realizing the fair value of investments. The Corporation manages its liquidity risk by monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Accounts payable and accrued liabilities include obligations to customers who have earned incentives and are normally paid within 90 days. For some customer incentives accrued, there may be exceptions to the timing of the payments. The timing of these payments is determined by the terms of the customer's contract. HST payable is remitted monthly. The loan payable payments are remitted monthly, as aligned within the loan payment schedule and the loan receivable amounts from NS Power.

##### c) Market risk

The Corporation is exposed to market risks arising from changes in the fair value of financial instruments due to market price fluctuations. Market risks consist of currency risk, interest rate risk and other price risk. The Corporation is not exposed to additional currency risk other than that recognized through other price risk, as certain investments are denominated in foreign currencies.

**12. RISK MANAGEMENT (continued)**

## i) Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in the market interest rates. The Corporation is exposed to interest rate risk with regard to its cash. The Corporation has an interest-bearing liability with a fixed interest rate.

The Corporation's cash include amounts on deposit with a Canadian bank that earn interest at the market rate. Fluctuations in market rates of interest on cash do not have a significant impact on the Corporation's results of operations. Short-term interest-bearing deposits are not exposed to significant interest rate risk due to their short-term nature.

## i) Other price risk

Other price risk is the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in market prices. The Corporation is exposed to other price risk with regard to its investments.

The Corporation's investments include pooled funds which are subject to risks arising from changes in market conditions. The Corporation manages this risk by using an investment manager and maintaining a diversified portfolio with a mix of bonds and equity funds in accordance with the Corporation's investment policy.

## EFFICIENCYONE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (IN THOUSANDS)

#### 13. COST ALLOCATION METHODOLOGY

|   | Allocator | Expenses subject<br>to Allocation | DSM Fund<br>Allocation | Provincial Fund<br>Allocation | Other Business<br>Fund Allocation |
|---|-----------|-----------------------------------|------------------------|-------------------------------|-----------------------------------|
| Amortization                                | FTE       | \$ 346                            | \$ 213                 | \$ 133                        | \$ -                              |
| Incentives                                  | Direct    | 618                               | 148                    | 261                           | 209                               |
| Information technology                      | FTE       | 570                               | 319                    | 200                           | 51                                |
| Information technology                      | Direct    | 823                               | 216                    | 255                           | 352                               |
| Marketing, outreach, education and research | Direct    | 2,514                             | 1,126                  | 1,081                         | 307                               |
| Meetings and travel                         | Direct    | 203                               | 69                     | 68                            | 66                                |
| Office and insurance                        | FTE       | 168                               | 94                     | 59                            | 15                                |
| Office and insurance                        | Direct    | 458                               | 120                    | 142                           | 196                               |
| Professional fees and consulting            | Direct    | 505                               | 145                    | 158                           | 202                               |
| Program support                             | Direct    | 74                                | 4                      | 13                            | 57                                |
| Rent  | FTE       | 748                               | 419                    | 262                           | 67                                |
| Salaries and benefits                       | FTE       | 17,310                            | 9,588                  | 6,063                         | 1,659                             |
| Training and development                    | FTE       | 551                               | 242                    | 184                           | 125                               |
|   |           | \$ 24,888                         | \$ 12,703              | \$ 8,879                      | \$ 3,306                          |

The Corporation engages in DSM programs (reported in the DSM Fund), other energy efficiency and conservation programs (reported in the PNS Fund) and other business (reported in the Other Business Fund).

The costs reported in the Consolidated Statement of Operations, include direct costs of the programs which are comprised of, but not limited to, customer payments, program support costs, and other program and administrative costs directly attributable to a program. In 2023, total direct costs incurred were \$126,619 (2022 - \$68,403) with \$32,568 related to DSM (2022 - \$31,113), \$38,566 related to PNS (2022 - \$31,947), and \$55,485 related to Other Business (2022 - \$5,343). The Corporation also incurs costs which are not directly related to one program that require allocation between the funds and subsequently to programs. These non-direct costs include, but are not limited to, joint direct program costs, common program costs, salaries and benefits, administrative and operational overhead and general program administration. In 2023, total non-direct costs incurred and subject to allocation were \$24,888 (2022 - \$19,357).

The Corporation allocates the non-direct costs noted above based on FTE of staff resources assigned to the programs and Direct Costs ("Direct") of the programs as defined in the ENSC Cost Allocation Methodology Report. The CAM is subject to regular review by the NSUARB.