



2016

Enjoy the
good things
efficiency brings.

Annual Report

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About Us

EfficiencyOne is a leading efficiency expert. We believe in the power of efficiency to change lives, and we work with a number of outstanding partners to transform how our customers use energy and other resources.

In Nova Scotia, EfficiencyOne supplies cost-effective electricity efficiency and conservation services through the Efficiency Nova Scotia franchise. EfficiencyOne Services was established in 2015 to bring our experience and expertise to more people and places.

Welcome to our 2016 Annual Report.

Arnie Chowdhury
Community Ambassador



Letter from our Board Chair

In 2016, Nova Scotia solidified our position as leaders in energy efficiency, being named in reports from the International Energy Agency and the *Pan-Canadian Framework on Clean Growth and Climate Change*. More and more jurisdictions are looking at Nova Scotia's independent, performance-based model to create their own energy efficiency agencies to achieve reductions in greenhouse gas emissions, control the cost of energy, and spur productivity and economic growth.

As Canada's first energy efficiency utility, we have demonstrated the impact that energy saving programs can have on the lives of residents and businesses. While other jurisdictions are just getting started, Nova Scotians have spent the last six years making our homes and businesses more efficient, supporting more than 1,000 jobs in a growing industry.

In 2016, our partners helped us successfully achieve ambitious energy savings targets under budget. Since 2008, energy efficiency has reduced electricity use by nine per cent and cut carbon dioxide emissions by 700,000

tonnes per year. As we make progress delivering the second year of our current three-year mandate from the Utility and Review Board, Nova Scotians are benefiting from cumulative savings of \$125 million on their electricity bills. And, thanks to the Province's generous support of the HomeWarming program in 2016, we are helping an additional 1,500 low-income families reduce their home heating bills and live more comfortably.

Moving into 2017, EfficiencyOne, serving Nova Scotians as Efficiency Nova Scotia, remains focused on our strategic priorities to achieve, innovate, champion and grow. Success starts and ends with reaching our energy savings targets. At the same time, it includes working with other jurisdictions to help them replicate Nova Scotia's success, and to create opportunities beyond Nova Scotia for the companies and organizations that have developed industry-leading expertise, making Nova Scotia an energy efficiency leader.

William (Bill) Lahey,

Chair of the Board of Directors
EfficiencyOne



Letter from our Chief Executive Officer

Reflecting on our achievements in 2016, it is clear that our province is enjoying the good things efficiency brings. Together with our industry partners, stakeholders, and customers, we have helped Nova Scotians save on energy costs in their homes; helped businesses of all sizes, community centres, hospitals and other institutions reinvest in services and remain competitive; and achieved provincial targets for greenhouse gas emission reductions.

No one else has the track record Nova Scotians have for saving energy. Over the last year, EfficiencyOne was invited to participate in many provincial and national conversations on the subject. As CEO of EfficiencyOne, it's a privilege to be able to share our story, demonstrating what is possible by putting efficiency first.

This past fall, I was pleased to take part in the first Mi'kmaq Energy & Innovation Summit. Nova Scotia's First Nations are doing important work in the energy sector and we look forward to ongoing collaborative work across Nova Scotia.

In 2017, we will continue to lead by example by helping more families and businesses discover the benefits of efficiency and building on Nova Scotia's remarkable results.

Energy efficiency brings many good things, and there's plenty to go around.

A handwritten signature in black ink that reads "Stephen MacDonald".

Stephen MacDonald,
Chief Executive Officer
EfficiencyOne

Our Board of Directors



WILLIAM (BILL) LAHEY, BA, BA (JURIS), LL.M.
CHAIR OF THE BOARD OF DIRECTORS

William Lahey is President and Vice-Chancellor of the University of King's College. He is also an Associate Professor at the Schulich School of Law at Dalhousie University. Bill's diverse legal career started with clerking for the Supreme Court of Canada. Since then he has worked in private and government legal practice and served as an Assistant Deputy Minister of Health and as a Deputy Minister of Environment and Labour for Nova Scotia, in addition to being a law professor. He is also the Chair of the Nova Scotia Health Research Foundation and of the Board of Directors of the Canadian Centre for Ethics in Public Affairs, and a member of the Nova Scotia Barristers' Society.



RAYMOND CÔTÉ, BSC, MSC

Raymond Côté is Professor Emeritus in Resource and Environmental Studies at Dalhousie University. He has served the Province of Nova Scotia on numerous boards, committees and round tables. He was a columnist on business and environment for the Burnside News for 21 years. From 1998-2008, Raymond was Director of Dalhousie's award-winning Eco-Efficiency Centre. He has 40 years of experience in environmental management as a regulator, administrator, advisor, researcher, teacher and consultant.



BRENDAN HALEY, BSC, MES, PHD

Brendan Haley is a Banting Post-Doctoral fellow at Dalhousie University's School for Resource and Environmental Studies. Brendan has written and consulted on clean innovation policy, energy efficiency, and renewable energy for governments and organizations such as the Smart Prosperity Institute and the Canadian Centre for Policy Alternatives. He played an important role in the development of Nova Scotia's energy efficiency framework while at Nova Scotia's Ecology Action Centre. He holds a PhD in Public Policy, a Master's in Environmental Studies and a B.Sc. in Economics.



HECTOR JACQUES, OC, MENG, DCOMM (HON.), PENG, FEIC, DLAW (HON.)

Hector Jacques is a well-known name in Canadian engineering and a founding partner of Jacques Whitford and Associates Ltd. Set up in 1972 to offer earth sciences expertise to the Atlantic region, the company grew under his direction as CEO into an international operation with 45 offices employing 1,700 professionals worldwide. It was sold to Stantec in 2009 when he retired. Hector has received high-profile awards and recognition for his contribution to the engineering and business communities, including being inducted into the Nova Scotia Business Hall of Fame and being made an Officer of the Order of Canada in 2007. He sits as a director on several boards.



JACK KYTE, BSC

Jack Kyte is a communications and public relations professional with over 35 years as an executive in Nova Scotia's pulp and paper industry. He is currently the Executive Director of the Pictou County Chamber of Commerce and is past Executive Director of the Pictou Regional Development Agency. Jack resides in New Glasgow, Nova Scotia, and his personal interests are related to health care, environmental stewardship and community economic development.



CAROL MACCULLOCH, BCOMM, MA

Carol MacCulloch has vast experience as a non-profit executive and director. She is currently serving as Board Chair of the Nova Scotia Apprenticeship Agency. Her expertise has helped several start-up organizations, and her leadership has energized a series of quasi-governmental organizations, advisory committees, and non-profit boards. In 2009, Carol received an honorary diploma from the Nova Scotia Community College.



JOAN MCARTHUR-BLAIR, BA, MED, EDD

Joan McArthur-Blair, Co-President of Cockell McArthur-Blair Consulting, is a writer, speaker and facilitator. After more than 25 years of institutionally-based work as an educator, in roles from faculty to President, she has returned to her loves of writing, speaking and facilitating, and works with groups of all kinds to make a positive difference. Joan specializes in the use of Appreciative Inquiry to foster leadership, strategic planning and innovative strategies for organizational development. She also provides short-term leadership through executive-to-go services. She published, “Appreciative Inquiry in Higher Education: A Transformative Force” with Dr. Jeanie Cockell and is currently authoring “Appreciative Resilience.”



SEAN O'CONNOR, BCOMM, CPA, CA

Sean O'Connor is a businessman with interests in several small and medium-sized businesses in Atlantic Canada. An accountant by training, he has held senior positions in both the private and public sectors. Sean sits on the boards of a number of private and non-profit organizations and is currently the Chair of the Atlantic Lottery Corporation and Vice Chair of Credit Union Atlantic.



DAN O'HALLORAN, MSC, PENG

Dan O'Halloran, with close to 50 years of professional engineering, management and business experience, has been involved in a wide range of projects in Atlantic Canada and further afield. He is a founder of O'Halloran Campbell Consultants, and a former Fellow of the Canadian Society for Civil Engineering, the American Society of Civil Engineers and the Institution of Civil Engineers. He has experience with several boards and advisory groups.



MICHELE WOOD-TWEEL, FCPA, FCA, CFP, TEP

Michele Wood-Tweel has more than 30 years of experience in the accounting profession and she is the Vice-President, Regulatory Affairs at CPA Canada. Always active in the community, she has served on many boards and is currently Chair of the Board of Governors of Sacred Heart School of Halifax. Michele is a past Chair of the Board of Governors of Saint Mary's University and was recognized with an Honourary Doctorate of Civil Law in 2015.

2016 Highlights



2016 Energy Savings

Residential Electrical Energy Savings

Appliance Retirement	3 GWh
Instant Savings	35 GWh
Home Energy Assessment	5 GWh
Green Heat	4 GWh
Residential Direct Install	16 GWh
Rental Properties and Condos Service	3 GWh
New Home Construction	4 GWh
Residential Subtotal	69 GWh

Business, Non-Profit & Institutional Electrical Energy Savings

Business Energy Rebates	38 GWh
Custom	22 GWh
Energy Management Information Systems	2 GWh
Strategic Energy Management	2 GWh
Small Business Energy Solutions	4 GWh
Business, Non-Profit & Institutional Subtotal	68 GWh

Total Electrical Energy Savings	137 GWh
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Non-Electrical Energy Savings

Home Energy Assessments	11,900 GJ
HomeWarming	56,100 GJ
Direct Install - Low Income	7,800 GJ
New Houses	1,800 GJ
Total Non-Electrical Energy Savings	77,600 GJ

Note: Results reflect 2016 evaluated electrical energy savings and 2016 tracked non-electrical energy savings

2016 Performance

Our organizational scorecard sets targets and tracks performance in several key areas. Targets are set to challenge the organization to perform at a high level, and align with targets set by the Nova Scotia Utility and Review Board and our contract requirements with the Province of Nova Scotia.



CATEGORY

Financial and Energy Savings

Measurement	DSM ¹		PNS ²	
Expenditures remain within funding limits	<div style="background-color: #808080; color: white; padding: 5px; text-align: center;">≤ Budget</div> 2016 Target <div style="background-color: #4CAF50; color: white; padding: 5px; text-align: center;">-7.2%</div> 2016 Result		<div style="background-color: #808080; color: white; padding: 5px; text-align: center;">≤ Budget</div> 2016 Target <div style="background-color: #4CAF50; color: white; padding: 5px; text-align: center;">-9.0%</div> 2016 Result	
Organizational unit cost (cost per unit of energy saved) is achieved	<div style="background-color: #808080; color: white; border-radius: 50%; padding: 10px; text-align: center;">\$0.249 /kWh</div> 2016 Target	<div style="background-color: #4CAF50; color: white; border-radius: 50%; padding: 10px; text-align: center;">\$0.225 /kWh</div> 2016 Result	<div style="background-color: #808080; color: white; border-radius: 50%; padding: 10px; text-align: center;">\$186.4 /GJ</div> 2016 Target	<div style="background-color: #4CAF50; color: white; border-radius: 50%; padding: 10px; text-align: center;">\$163.1 /GJ</div> 2016 Result
Energy savings achieved from programs and services	<div style="background-color: #808080; color: white; padding: 10px; text-align: center;">133.1 GWh</div> 2016 Target	<div style="background-color: #4CAF50; color: white; padding: 10px; text-align: center;">136.9 GWh</div> 2016 Result	<div style="background-color: #808080; color: white; padding: 10px; text-align: center;">74,600 GJ</div> 2016 Target	<div style="background-color: #4CAF50; color: white; padding: 10px; text-align: center;">77,600 GJ</div> 2016 Result
Annual Demand Savings	<div style="background-color: #808080; color: white; border-radius: 50%; padding: 10px; text-align: center;">20.4 MW</div> 2016 Target	<div style="background-color: #4CAF50; color: white; border-radius: 50%; padding: 10px; text-align: center;">26.0 MW</div> 2016 Result		

¹ Demand-Side Management or DSM refers to programs that promote and manage efficient use and conservation of electricity. This work is funded through electricity rates.

² The Province of Nova Scotia or PNS funds programs that promote or manage efficient use and conservation of non-electric fuels, like home heating oil.



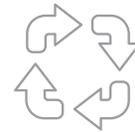
CATEGORY

Environmental Impact

2016 Target

2016 Result

GHG emission reductions achieved from programs and services	88.4kt	88.6kt
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CATEGORY

Process

2016 Target

2016 Result

On-time delivery of 10 key internal and external processes	80%	93%
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CATEGORY

Customer

2016 Target

2016 Result

Average overall customer satisfaction score based on 10 key metrics	88%	89%
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CATEGORY

People

2016 Target

2016 Result

Employee engagement	90%	91%
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2016 at a Glance

Efficiency has the power to change lives, communities and our planet

400,000+
energy efficient products installed

More than
1,000

Nova Scotians are working in energy efficiency —2x the amount that work in Nova Scotia's successful wine industry

We grew our impact to

\$150 million
in annual energy cost savings

3,000
upgrades to existing homes and buildings

500
energy efficient new builds

Over **135**
companies are part of our Efficiency Trade Network

These actions reduced Nova Scotia's electricity use by **9%**

We've reached
700,000
tonnes of CO₂ avoided annually



"We're not retirement home material. We want to be in this home as long as possible. The work that has been done is allowing us to stay here and made it more comfortable for my husband in his condition."

Theresa MacLeod, homeowner in Barney's River, Pictou County



"The Green Schools program helps students understand that the decisions we make affect not only ourselves and the people around us but the plants, animals, water, air and soil. Green Schools is helping develop a new generation of environmentally responsible citizens."

Shandel Brown, Green Schools Engagement Officer for Cape Breton area.



A new Passive House duplex in Truro brings leading-edge energy efficient home design to more people. Each unit is expected to cost only \$250 a year to heat, making life more affordable for the families that call them home.



Enjoy the good things efficiency brings.

Learn more about our 2016 year and meet some of our customers at efficiencyone.ca/2016



Work in our Community



Giving contractors a competitive edge

Today, more than **1,000** people are directly employed in Nova Scotia's energy efficiency industry. We're supporting the industry's continued growth with our Efficiency Trade Network.

- Over **135** companies, from all corners of Nova Scotia, are members of the Efficiency Trade Network. This online directory makes it easier for Nova Scotians to find professionals to help with their energy efficient upgrades.
- Members have access to professional development opportunities, including our **Bright Business Awards and Conference**.
- In 2016, over **260** professionals attended the conference to hear from **17** speakers and attend **13** sessions.
- **David McClelland** of Streamline Engineering in Cornwallis was there sharing his expertise in compressed air energy savings. David won the 2016 **Bright Business Partnership Award** after launching his own company that helps other businesses be energy savers.





Farida Gabbani
Marigold Centre

Diane Berfelo-Crowe
Eddy Group Ltd.

Shining a new light on energy efficiency

The Marigold Cultural Centre in Truro is a bright light in Nova Scotia's arts community. Now it has the lighting to match.

"We're a not-for-profit and this is a big building," says Farida Gabbani, Managing Director of the Marigold Centre. "When you've only got 208 seats to sell, it's very difficult to make a profit. We don't want to make money, but we do want to break even, save power, be more environmentally-friendly, and for the ambience of the place to improve."

To achieve their goals, the centre replaced every light fixture in the building, giving a new glow, and cutting their electricity use by 31,000 kWh. They're now saving \$2,600 a year on their bills while increasing ticket sales, theatre bookings and gallery sales for artists.

Efficiency Nova Scotia provided incentives that covered part of the project costs, and the expected payback is less than a year and a half.

We also provided expert advice and a complimentary energy audit completed by Trinity Maintenance. Eddy Group Ltd., members of the Efficiency Trade Network, provided project support.

Gabbani says, "The partnership between Efficiency Nova Scotia, Eddy Group Ltd. and the Marigold Centre, to me, is just a match made in heaven, and it's a good model for anyone else to follow because you're not alone. You have support."



Stephen MacDonald
CEO, EfficiencyOne

David Youd
Farnell Packaging Ltd.

Sheldon Hodder
Farnell Packaging Ltd.

Debby Farnell Rudolph
Farnell Packaging Ltd.

Carol MacCulloch
Board of Directors, EfficiencyOne

Award-winning efficiency in action

Farnell Packaging in Dartmouth is a family-owned business that's been operating in Nova Scotia since 1961. Executive Vice President, Debby Farnell Rudolph says, "Part of our culture is understanding our impact on the world. Finding ways to improve our facility's energy efficiency is a natural part of that (and) our highly-engaged staff is key to our environmental success."

With expert support, Farnell's 185 employees have made the company more competitive and increased overall production. They reduced the plant's energy use by over 155,000 kWh with strategic energy management. And they did so under increased production having grown their revenue by 55 per cent in the past five years.





Improving efficiency, one home at a time

When it comes to lowering your home energy bill and carbon footprint, many of us don't know where to start. Our Certified Energy Advisors provide custom energy-saving recommendations and homeowners can choose which upgrades they want to install. Our Efficiency Trade Network makes it easy to find qualified, local professionals to perform the work.

Nearly 1,400 homeowners participated in our \$99 Home Energy Assessment service in 2016. Energy-saving upgrades like added insulation and efficient heat pumps helped families save an average of \$1,000 per year on their electricity bills, while making their homes more comfortable year-round.



Breathing a little easier with energy efficient upgrades

Theresa and Carl MacLeod live on the same road where Carl grew up in Barney's River, Pictou County. Their family home was in desperate need of repairs to lower heating costs and create a more comfortable, healthy environment for Carl, who lives with Chronic Obstructive Pulmonary Disease.

Thanks to HomeWarming, they qualified for energy efficient upgrades, including draft-proofing and insulation, at no cost. Now, Theresa and Carl are expected to save up to \$900 per year, cutting their annual heating costs by half.

“

We're not retirement home material. We want to live in this home as long as possible. The work that has been done is allowing us to stay here and made it more comfortable for my husband in his condition.”

Theresa MacLeod
Homeowner



Carl and Theresa MacLeod
Homeowners



New Minas Elementary's Green Team

Growing up green – the next generation of efficiency leaders

Green Schools Nova Scotia helps students, teachers and communities learn the benefits of energy efficiency and enhances environmental sustainability at their schools.

Over 200 schools are part of Green Schools Nova Scotia. Five Engagement Officers work to support over 5,000 Green Team members, providing over 100 resources to teachers and Green Team leaders.

Together, we're teaching tomorrow's generation how to protect our environment and fight climate change today. Winning this fight starts with efficiency.

“

The Green Schools program has helped [us] begin green initiatives in our brand new school! With the help of our Engagement Officer, we now have a successful recycling program. We have also promoted litterless lunches, started a school vegetable garden and held a gently-used T-shirt fundraiser. Green Schools has also supported our Green Team by offering ideas, support and resources to our projects. We are learning to be more aware of the energy we use and Green Schools is helping our staff and students become more energy efficient.”

Kim Bain

Teacher, New Glasgow Academy

Bringing comfort and energy efficiency to renters

Making housing more affordable takes collaboration and innovative thinking. The Affordable Multi-family Housing pilot is the result of both, after collaborating with 14 diverse stakeholders on solutions that could improve Nova Scotia's rental housing stock and lower energy costs while increasing tenant comfort and affordability.

The pilot launched in 2016 and nine property owners enrolled from across the province, including six private landlords and three non-profits. We identified 880,000 kWh of electricity savings for 370 affordable housing units, including a 24-unit apartment building on Victoria Road in Dartmouth operated by Adsum for Women & Children.

After successfully applying for the Affordable Multi-family Housing pilot, Adsum is looking to secure additional funding and complete recommended upgrades to their two-storey building that provides affordable housing for single women with rent capped at 30 per cent of their income. They also hope the installation of energy efficient heat pumps will improve comfort for residents, some who have lived there for 23 years.

Efficiency Nova Scotia's investment of \$187,000 in project funding will help these property owners improve affordable rentals, and reduce CO₂ emissions by 630 tonnes, annually. That's like taking 84 homes off the electricity grid for a year.

Staff, like Ferne McCombie, hope the installation of heat pumps will improve comfort for residents of Adsum for Women & Children.



Ferne McCombie
Adsum House



David Brushett
Onsite Energy Manager

Our advocates for efficiency are with you every step of the way

Energy efficiency has helped young professionals find meaningful work at home. David Brushett, a mechanical engineer who graduated from Dalhousie University, is one of them.

David has been working in energy efficiency for 10 years. He's one of five Onsite Energy Managers with Efficiency Nova Scotia who help businesses and municipalities save energy and money evaluating energy-saving projects as well as helping to identify and obtain financing opportunities to pay for these upgrades.

For nearly three years, David's been living and working in Cape Breton Regional Municipality (CBRM) helping cut its energy use by 15 per cent.

In 2016, they reduced electrical consumption by 1.8 GWh in that year alone. That amounts to \$185,000 in savings for a municipality that is striving to be fiscally responsible, attract and retain residents, and create a better quality of life.

So how did David and CBRM save so much energy in one year? They implemented 27 energy-saving initiatives in 2016, completing 18 before the end of the year.

With David's help, they found other ways to save. They cut oil consumption in nine buildings for a savings of \$193,000, and cut water loss by 40 per cent after launching a water loss pilot project in the Sydney and North Sydney water distribution plants.



More than meets the eye – building energy efficient homes from the ground up

Nova Scotia's first affordable Passive House duplex is in Truro. You might not spot it as a Passive House building because it blends into the existing neighbourhood. It didn't cost any more to build than a code-built home, but it does cost less to heat – 85 per cent less.

This innovation earned partners Passive House Building Design and Housing Nova Scotia the Bright Business Innovation Award, from Efficiency Nova Scotia.

Last year, 10 newly-built homes in Nova Scotia made this world-leading energy efficient design standard part of their design plans. Efficiency Nova Scotia is helping with expert advice and a rebate of \$10,000 for projects that meet minimum performance requirements.

Producing 65 per cent less CO₂, passive-built homes are another way we can enjoy the good things efficiency brings.





Lisanne Turner and Elisha Stairs
Tri-County Women's Centre



Dennis Kaye and Jim Cook
Hebron Baptist Church

Helping non-profit organizations experience energy efficiency

We're very proud to partner with a number of organizations and companies to make saving energy accessible to all, including partners like Ecology Action Centre (EAC).

Ecology Action Centre retrofitted its office building in Halifax's North End. The 130-year old building has been transformed into one of the most efficient in Canada of its age.

Together, we create energy management plans for non-profits and assist qualifying organizations to take part in Efficiency Nova Scotia services. Six organizations completed plans across the province in 2016:

- Shambhala School (Halifax)
- Hebron First Baptist (Yarmouth)
- Tri-County Women's Centre (Yarmouth)
- St. Ann's Bay United Church (Englishtown)
- St. Philip's African Orthodox Church (Sydney)
- Union Presbyterian Church (Louisbourg)

Our work has people talking. Energy Conservation Coordinator, Emma Norton, presented to SECURE partners in Ireland. The group included representatives from across the European Union who were interested in learning about best practices in efficiency and Nova Scotia's successful model with an energy efficiency utility.



Through building audits and workshops with non-profit organizations in Nova Scotia, we're helping Nova Scotians access the programs available to them to invest in energy efficiency, and engaging Nova Scotians about the variety of ways they can reduce their energy consumption."

Emma Norton

Energy Conservation Coordinator, EAC



A sizeable catch for Nova Scotia's lobster industry

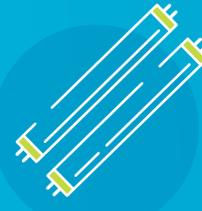
Lobster traps stacked on a sea-salted wharf are symbolic of our east coast culture and a vital industry. It directly generates more than 7,800 jobs in harvesting and processing sectors, plus many spin-off industries.

In 2016, Efficiency Nova Scotia helped 11 different lobster facilities haul in energy savings. Six of these companies completed projects, like retrofitting chillers and adding new intake water lines, and saved approximately 3 GWh. This work will save the industry more than \$5 million in electricity costs.

Energy efficiency is making one of Nova Scotia's most important industries more sustainable and cost-competitive in global markets. And, compete it does. According to Nova Scotia Business Inc., our lobster industry's worldwide annual exports totalled \$891 million in 2016.



Mercury-Free. **Hassle-Free.**



Clear out the mercury, clean up the environment

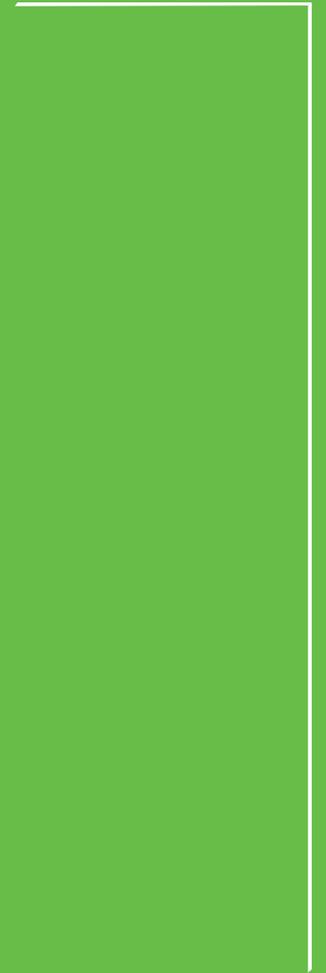
We love where we live, and it shows. Last year, when Nova Scotians were called upon to clear out their mercury and clean up their environment, they acted. Together, we kept over 19 kilograms of mercury out of our landfills.

Mercury is a toxic pollutant that threatens the health of humans, fish and other wildlife. It can be found in a variety of products like appliance switches, thermostats, street and outdoor area lights, as well as business and residential lighting, like fluorescent lamps and CFLs.

Over nine months, more than 665,000 mercury-containing products were safely diverted from landfills, including sizeable collections from Dalhousie University, QEII - Halifax Infirmary, and Canadian Forces Base Halifax.

Nova Scotia's Mercury Diversion program is powered by NS Power, and delivered in partnership with Scout Environmental. There are 46 drop-off locations throughout the province, including municipal waste facilities and Kent Building Supplies.

EfficiencyOne Strategic Plan



EfficiencyOne Strategic Plan

Our Purpose

Changing lives by unleashing the power of efficiency.

Our Values

INTEGRITY	Deliver on our commitments.
INNOVATION	Always improve.
PARTNERSHIP	Foster successful relationships with all stakeholders.

Our Strategic Priorities

ACHIEVE	We attract and cultivate employees and partners who are driven by a sense of purpose and pride in achievement.
INNOVATE	We seek out and implement new ideas.
CHAMPION	We support, advocate and promote Nova Scotia by building the economy and protecting the environment.
GROW	We help unleash the global potential of efficiency by growing and sharing Nova Scotia's expertise and experience.

Financial Information



2016 Financial Analysis and Discussion

Our financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

Overview

2016 marked another successful year for EfficiencyOne. EfficiencyOne achieved 136.9 GWh of electricity savings and 26.0 MW of demand savings, exceeding the Nova Scotia Utility and Review Board (UARB) approved targets of 133.1 GWh and 20.4 MW, respectively. Total expenditures to achieve these savings were \$30.8 million, compared to the \$33.2 million budget approved by the UARB. Total ratepayer benefits resulting from 2016 spending are \$116 million.

EfficiencyOne also achieved 77,607 GJ of non-electric savings, exceeding the 74,621 GJ target approved by the Province of Nova Scotia. Total expenditures to achieve these savings were \$12.7 million, compared to the \$12.9 million funded by the Province.

Our Revenues

EfficiencyOne has two revenue sources, represented in our financial statements as two distinct “funds”: the Demand-Side Management Fund (DSM Fund) and the Provincial Fund. The Other Business Fund reports any income from our subsidiary, EfficiencyOne Services Inc.

An additional \$6 million savings for ratepayers

In 2015, EfficiencyOne received \$35 million from NS Power to fund electricity efficiency services. The UARB allowed NS Power to collect this amount from ratepayers over eight years, plus their Weighted Average Cost of Capital. At the same time, the UARB requested EfficiencyOne investigate whether we could borrow this amount at a lower cost. We successfully secured a bank loan for the balance owing – approximately \$30 million – at a significantly lower interest rate, saving ratepayers an estimated \$6 million over seven years.

The Demand-Side Management Fund (DSM Fund)

In 2016, EfficiencyOne received \$33.2 million from NS Power under a fee-for-service agreement to provide electricity efficiency services as approved by the UARB. Total expenditures were \$30.8 million. The remaining \$2.4 million has been deferred and will be used to fund expenditures in future years.

The Provincial Fund

In 2016, EfficiencyOne received \$12.9 million from the Province of Nova Scotia under a fee-for-service agreement to support non-electric efficiency services. Total expenditures were \$12.7 million. The remaining \$0.2 million has been deferred and will be used to fund expenditures in future years.

The Other Business Fund

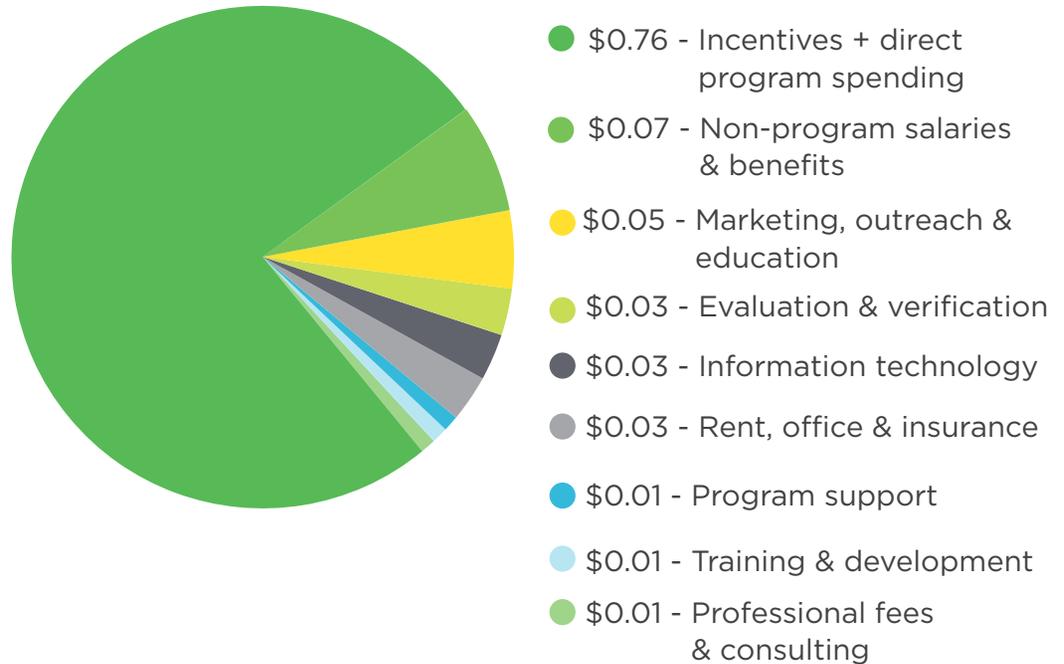
In 2016, EfficiencyOne Services Inc. reported net earnings of \$0.04 million.

The Commitment Fund

In our 2016 financial statements, the Commitment Fund reflected the amount of customer incentives that EfficiencyOne may be required to pay in the future to Nova Scotians who enrolled in efficiency services in 2016. These commitments are recognized as accrued liabilities. In 2016, the total commitments were \$7.1 million. Commitments are tied to the following services offered by EfficiencyOne: Home Energy Assessment, New Home Construction, Business Energy Rebates (mail-in portion) and HomeWarming.

Our Expenditures

This chart provides a breakdown of how each dollar invested in energy efficiency was spent in 2016. Approximately 76 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.



Accountability and Oversight

The Board of Directors of EfficiencyOne believes that effective and efficient governance is an essential foundation for the organization's success. EfficiencyOne has a number of controls and processes in place to ensure transparency and oversight of performance.

Electricity efficiency services are regulated by the UARB. The UARB approves electricity efficiency plans, which outline the overall investment in electricity efficiency services and the corresponding savings for ratepayers. EfficiencyOne files publicly available, quarterly reports with the UARB outlining electricity efficiency spending and activity.

Non-electric efficiency services are directed by a fee-for-service agreement with the Province.

EfficiencyOne provides quarterly and annual reports to the Province on non-electric efficiency spending and activity.

In 2016, EfficiencyOne proactively filed an application for approval of its Affiliate Code of Conduct (the Code) with the UARB. The Code governs all interactions between EfficiencyOne and its subsidiary, EfficiencyOne Services Inc., and provides a clearly defined set of rules to ensure that ratepayers are not negatively affected by the subsidiary's activities. Based in part on questions raised by stakeholders, EfficiencyOne requested

an opportunity to further consult with stakeholders outside of regulatory proceedings. EfficiencyOne has undertaken significant consultation with stakeholders and expects the proceeding for approval of the Code to resume in 2017.

To further increase 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 table below:

OVERVIEW Independent Audits and Evaluation

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

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