



Financial  
**Information**



# 2019 Financial Analysis and Discussion

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

## **Overview**

In 2019 EfficiencyOne attained 124.55 GWh of electricity savings and 22.79 MW of demand savings, meeting the targets of 127.2 GWh (+/- 5%) and 20.2 MW, respectively. Total investment to achieve these savings was \$34.1 million, compared to the \$34.1 million UARB approved investment. EfficiencyOne also achieved 235,416 GJ of energy savings from Government Funded Programs in 2019, which helped EfficiencyOne get closer to achieving its 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 \$29.2 million, compared to the \$30.1 million budget.

## **Our Revenues**

EfficiencyOne has two 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 any income from our subsidiary, EfficiencyOne Services, and funding received from other sources.

## **The Demand-Side Management Fund**

Under a fee-for-service agreement as approved by the UARB, EfficiencyOne received \$34.1 million from Nova Scotia Power in 2019 to provide electricity efficiency services. Total investment was \$34.1 million.

## **The Provincial Fund**

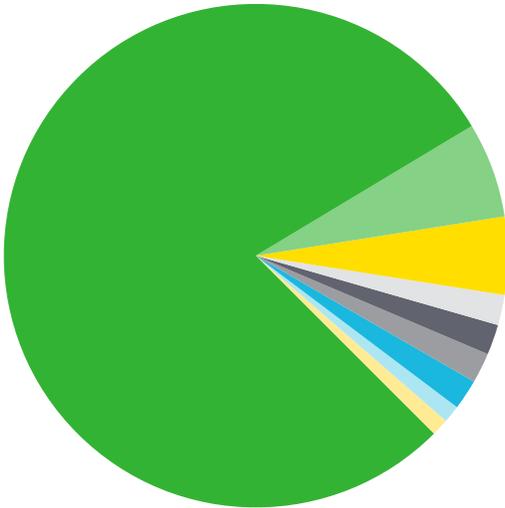
In 2019, EfficiencyOne received \$27.2 million from the Province of Nova Scotia under a fee-for-service agreement to support non-electric efficiency and low carbon services. Total investment was \$29.2 million. The additional \$2.0 million of investment was funded by deferred revenue from prior years.

## **The Other Business Fund**

In 2019, EfficiencyOne Services reported net earnings of \$0.047 million. In 2019, EfficiencyOne also received funding from Natural Resources Canada and the Federation of Canadian Municipalities.

### Our Investment

This chart provides a breakdown of how each dollar invested in energy efficiency was spent in 2019. Approximately 79 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.



- \$0.79 - Incentives + direct program spending
- \$0.06 - Non-program salaries + benefits
- \$0.05 - Marketing, outreach + education
- \$0.02 - Evaluation + verification
- \$0.02 - Information technology
- \$0.02 - Rent, office + insurance
- \$0.02 - Program support
- \$0.01 - Training + development
- \$0.01 - Professional fees + consulting

### Accountability and Oversight

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, which approves electricity efficiency plans that outline the overall investment in electricity efficiency services and the corresponding savings for ratepayers. EfficiencyOne files publicly-available, quarterly and annual reports with the UARB highlighting electricity efficiency spending and activity.

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

An Affiliate Code of Conduct governs all interactions between EfficiencyOne and its subsidiary, EfficiencyOne Services.

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