NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: **THE PUBLIC UTILITIES ACT**

-and-

IN THE MATTER OF: **AN APPLICATION by Efficiency Nova Scotia Corporation ("ENSC") for approval of 2012 Electricity Demand Side Management ("DSM") Plan for 2012**

NON-CONFIDENTIAL INFORMATION REQUESTS

To: Efficiency Nova Scotia Corporation
c/o Sean Foreman
Regulatory Counsel
Wickwire Holm
2100 – 1801 Hollis Street
Halifax, NS B3J 2X6

From: Board Staff Consultant
Nova Scotia Utility & Review Board

Responses Due: **March 29, 2011**

Copies: 8 and an electronic copy (pdf searchable)

Contact Person: **Mel Whalen, P. Eng.**
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Issued at Halifax, Nova Scotia, this 17th day of March, 2011.

Nancy McNeil

Nancy McNeil, Regulatory Affairs Officer/Clerk

Request IR-1:

With respect to page 1, lines 25 – 26, please provide a copy of ENSC's "comprehensive policy framework".

Request IR-2

With respect to page 8, lines 3-4, please provide the adjustments made to Appendix B of the Board's August 4, 2009 Decision to arrive at the 88.13 Gwh and the $22.56 million.

Request IR-3

With respect to Figure 2.4 on page 9, please add a column to show the amounts approved by the Board in its August 4, 2009 Decision and comment on any significant differences between the amounts approved and the amounts actually spent.

Request IR-4

With respect to Figure 5.1 on page 14,

a) Please confirm that if the overachievements from 2008-09, contributions from the Extra Large Industrials, and Codes and Standards are excluded, the incremental savings for 2012 are 124.1 Gwh, with an associated investment of $43.7 million, for an average first year cost of $352/Mwh.

b) Please confirm that the 2011 DSM Plan as approved by the Board has savings of 158.5 Gwh with an associated investment of $41.9 million, for an average first year cost of $264/Mwh.

c) If a) and b) are confirmed, please explain why ENSC feels it is appropriate to plan 2012 to have energy savings from ENSC investments that are lower than in 2011.

d) If a) and b) are confirmed, please comment on why the cost of the 2012 DSM is expected to be so much higher on a $/Mwh basis.

e) Assuming energy savings from ENSC investment to be 124.1 Gwh, as proposed, please discuss options to lower the 2012 DSM $/Mwh costs and the implications of each strategy.

f) If a) and b) are confirmed, please provide Figure 5.1 where
   - energy savings from ENSC investments are equal to the 2011 energy savings
   - energy savings from ENSC investments are 10% greater than the 2011 energy savings

Request IR-5

With respect to Figure 5.1,

a) If the annual avoided energy and avoided capacity costs used in the development of the TRC's and PAC's are different from those used to assess the 2011 DSM Plan,
   - Please provide them.
   - Please provide the date of the most recent update.
   - Please confirm that the avoided costs currently being used were derived using the same methodology as was used to develop the avoided costs for the 2011 DSM programs. If not, please provide the new derivation.

b) Please confirm that avoided costs are being applied in the same manner as in 2011.

c) Please provide the derivation of the TRC and PAC results for two of the measures in the Efficient Products program that have different life expectancies.

Request IR-6

With respect to Figure 5.1, Note e, please provide the derivation of the "historic savings" of 10 Gwh associated with the adoption of Codes and Standards.

Request IR-7

With respect to page 15, line 17, please provide the basis for concluding that the industrial projects "were not included in the 2009 IRP Update" and reconcile it to the statement in Note 13 that "All DSM is assumed to be included in the projection used in the 2009 IRP".

Request IR-8

With respect to page 15, lines 19 – 23,

a) Please provide the "preliminary investigation" provided to ENSC by a third-party specialist.

b) Please provide the qualifications of the third-party specialist to complete this work.

Request IR-9

With respect to page 16, line 25, please provide the basis on which ENSC concludes that "Both of these changes are incremental to the electrical load forecast in the 2009 IRP Update".

Request IR-10

With respect to page 17, lines 23 – 25,

a) Please provide examples of measures which may fail the TRC test but potentially provides strategic or long term benefits.
b) Please discuss why the strategic or long term benefits can not be expressed as energy savings and included in the TRC calculation.

Request IR-11

With respect to page 18, line1, please confirm that

a) The only mathematical difference between the TRC and the PAC is the exclusion of participant's costs in the denominators used to calculate them,
b) For 2012, the DSM plan was assessed economically using the TRC, with the PAC provided as information only.

Request IR-12

With respect to page 18, lines 23 – 25,

a) Please elaborate on the modified approach to free ridership and spill over used in the evaluation of 2010 DSM programs, with particular focus on how it is an improvement over the approach used in 2009.
b) Please provide the estimated free rider and spill over numbers for each 2010 program and discuss any implications of those results for program design (e.g. low free ridership would suggest the program is appropriately designed, whereas high free ridership may suggest a need for changes in program design. Alternatively, high free ridership could indicate that market transformation is being achieved and needs to be locked in.)
c) Please discuss areas of the free ridership and spill over approach that ENSC believes warrant further refinement.

Request IR-13

With respect to page 21, line 24, please provide a copy of the Affordable Energy Coalition study.

Request IR-14

With respect to page 29, lines 20 – 21,

a) Please clarify what ENSC means by the phrase "further assess the options for implementing such a model". Is the focus on implementation strategies, or is it intended that the model itself will be part of the assessment? If the model is not part of the assessment, please provide the model that ENSC has in mind.

b) Please elaborate on the nature of the UARB engagement that ENSC may be seeking in 2011.

Request IR-15

With respect to page 31, lines 9-10,

a) Please provide any preliminary plans, strategies or methodologies that ENSC is currently considering or has implemented with respect to ensuring that in the event of a multi-fuels mandate, costs associated with each fuel will be segregated and common costs will be appropriately allocated among the fuels.
b) Does ENSC anticipate submitting any of its plans, strategies or methods to the UARB for approval? If so, what is ENSC's expectation as to when this is this likely to occur? If not, please explain.

Request IR-16

With respect to page 34, line 15, there appears to be a difference between ENSC's proposal to apply the TRC at the program level and Dunsky's recommendation (Appendix C, page 3) that the TRC be applied "at the plan – not the measure level" in the short term. (Emphasis added). Please comment.

Request IR-17

With respect to Appendix A, page 6, line 6, please explain the rationale for collapsing the Low Income program into the Existing Houses program.

Request IR-18

With respect to Appendix A, page 6, line 20

a) Please comment on the appropriateness of including "small commercial, industrial and institutional customers" in a Residential program.
b) Please describe how, for this program, ENSC tracks expenditures and savings by rate class for the purposes of cost allocation and recovery.
c) Please comment on why no costs related to this program are assigned to any of the industrial classes in Table 2 of Appendix B.

Request IR-19

With respect to Appendix A, page 8, line 1, please elaborate on the "unique opportunity" offered to low income customers by the Efficient Products program.

Request IR-20

With respect to Appendix A, page 14, line 23

a) Please explain why the Home Energy Report is proposed as a stand-alone program, as opposed to being included as a measure in other programs such as the Existing Houses program.
b) Please elaborate on how savings from Home Energy Report are evaluated and verified, with particular reference to how such savings are distinguished from savings related to other measures that may be installed under other DSM programs.
c) Please comment on the sustainability of energy savings that depend on customer behaviour as opposed to the installation of more efficient devices or processes.

Request IR-21

With respect to Appendix A, page 17, lines 5 – 7,

a) Please provide examples of "new program titles" that are currently being considered.
b) If transition to the new titles begins in 2011, why are they not being adopted completely until 2013, and why does none of them appear in the proposed 2012 plan?

Request IR-22

With respect to Appendix C. page 2 and Note 4 on page 12, please elaborate on Dunsky's statement that the current regulatory model "may hinder critical flexibility" and provide an example.

Request IR-23

With respect to Appendix C, page 3, Paragraph 2, please elaborate on why it is recommended that the TRC be applied at the plan level rather than the program level.

Request IR-24

With respect to Figure 1 on page 4 of Appendix C

a) Please provide the derivation of the "current goals" line.
b) Please explain "eligible demand".
c) How does eligible demand change if DSM savings from sources other than ENSC programs are included as contributing to current goals?

Request IR-25

With respect to Appendix C, page 14, paragraph 5 and the Energy Star example provided,

a) Is it possible to estimate the degree to which the brand may be promoted by the appliance that does not of itself appear to pass the TRC, and the energy savings that may be attributed to that additional promotion?

b) If the response to a) is affirmative, should those additional savings be included as part of the TRC associated with that appliance?

c) If the response to b) is affirmative and the appliance still does not pass a TRC, should it be included in the program?

Request IR—26

With respect to Appendix C, page 15, paragraph 2,

a) If tests other than the TRC were included in the California Standard Practice Manual of 1987, please indicate what they were.

b) If the Manual included more than one test, was one test recommended above the others? If so, why?

c) Please comment on why the TRC, as opposed to other possible tests that may have been in the Manual, "quickly became one of the most commonly-used DSM screening tests".

d) Please provide any available data on the number of US jurisdictions that have DSM programs and still use the TRC to screen them.

e) Please provide any available data on the number of Canadian jurisdictions that have DSM programs and still use the TRC to screen them.

f) For US and Canadian jurisdictions that have DSM but do not use a TRC, please provide any available data on whether any test is used to assess DSM, and if so, what tests are used.

Request IR-27

Please provide a copy of the paper referenced in Footnote 8 on page 15 of Appendix C.

Request IR-28

With respect to Figure 3 on page 21 of Appendix C,

a) Please confirm that the data for this graph is calculated on the basis of energy (Gwh) rather than demand (MW).

b) Please provide any available data on each of the following for each state compared to NS:

- Renewable energy standards
- Hard caps on carbon dioxide emissions

- Hard caps on mercury emissions

Request IR-29

With respect to the first sentence of Issue C on page 23 of Appendix C, please provide the source of the $0.27 - $0.28 per Kwh. If these are calculated, please provide their derivation.

Request IR-30

With respect to the program cost comparisons on page 24 of Appendix C,

a) Please describe how ENSC developed its program costs.
b) Does ENSC's costing methodology include the use of data from other jurisdictions?
c) Please explain why ENSC's cost estimates might be so much lower than those in Massachusetts and Vermont?

Request IR-31

With respect to page 29 of Appendix E and the two main factors that will be used to select the schools that will be included in the pilot program,

a) Please elaborate on what is meant by "the school is in need of the program".
b) Please clarify whether the heating source in the school is a factor in school selection and explain why or why not.