2018 **M08604**

NOVA SCOTIA UTILITY AND REVIEW BOARD

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

- and -

IN THE MATTER OF: **AN APPLICATION** by **EFFICIENCYONE (E1) for Approval of a Supply Agreement for Electricity Efficiency and Conservation Activities between E1 and Nova Scotia Power Inc. and the establishment of a final agreement between the Parties, including approval of E1's 2019 Demand Side Management (DSM) Resource Plan**

INFORMATION REQUESTS

To: EfficiencyOne
James Gogan, Counsel
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From: Synapse Energy Economics, Inc.
Board Counsel Consultant

Responses Due: Wednesday, May 30, 2018

Copies: 1 electronic copy – pdf searchable
5 hard copies

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Issued at Halifax, Nova Scotia, this 9th day of May, 2018

Doreen Friis

Doreen Friis, Regulatory Affairs Officer, Clerk

Request IR-1:

Page 5 row 25 and page 6 row 1 of the Evidence states, "To align with the continuation year approach, this DSM Resource Plan was not developed based on the Standardized Filing Framework." Please explain the rationale behind this decision.

Request IR-2:

Page 9, rows 6 through 10 of the Evidence states, "Additionally, the proposed 2019 DSM investment is less than the amount of DSM cost recovery present in 2019 rates. While the RBIA shows the total rate effects attributable to DSM, the fact that planned DSM spending is less than DSM collections means that no incremental DSM costs will need to be recovered for the 2019 DSM Resource Plan after the Rate Stabilization Period ends."

a. Please explain what will happen with the projected overcollection due to the fact that the rate derived from the $34.050 million in DSM spending is less than the DSM cost recovery rate that will be in effect in 2019 (a) during the Rate Stabilization Period and (b) after the Rate Stabilization Period ends.

b. Please confirm if the rate and bill impact analysis models the amount of DSM cost recovery present in 2019 rates or the planned DSM spending.

Request IR-3:

Page 14 rows 10 through 13 of the Evidence states, "In the context of the development of the 2019 DSM Resource Plan as a continuation plan, EfficiencyOne is proposing largely the same performance targets and indicators for the 2019 DSM Resource Plan as were present and ultimately approved as part of the 2016-2018 DSM Resource Plan."

a. Please confirm if there was there a performance target for total spending total ratepayer benefits and customer satisfaction in the 2016-2018 plan.

b. Please clarify if any savings from any pilot programs (i.e., demand response) are included in the annual incremental GWh and MW performance targets.

c. Given that E1 states that its ability to track lifetime savings has improved (page 14, rows 28-29), please explain why a performance target for lifetime GWh savings is not included.

Request IR-4:

Please refer to Table 2 – Proposed Performance Indicators and Targets on page 15 of the Evidence.

a. Please explain why EfficiencyOne does not propose 2019 Performance Targets for lifetime savings, total ratepayer benefits, total spending, and customer satisfaction.

b. Were Performance Targets for lifetime savings, total ratepayer benefits, total spending, and customer satisfaction proposed in 2016, 2017, or 2018?

c. Please confirm that the specific numerical performance targets that E1 is proposing for 2019 are provided in Table 3 on page 18.

d. Aside from the regulatory process triggered by not achieving the 90 percent threshold, are there other performance levels that trigger any actions or consequences (internal and external to EfficiencyOne)? If so, please describe those actions or consequences, and when they are triggered.

Request IR-5:

Page 18, rows 3 through 5 of the Evidence state, “Table 3 summarizes the savings and investment levels for the 2019 DSM Resource Plan, which can be found in Appendix A. Lifetime benefits, TRC test results, and PAC test results are not provided as they were included in the 2016-2018 Plan.”

a. For each program in Table 3, please show the lifetime benefits, TRC test results, and PAC test results.

b. Please add eligible customer, participant, and avoided emissions data to this table.

c. Please explain why lifetime benefits, TRC test results, and PAC test results in 2019 are assumed to be similar to the 2016-2018 plan given measure mix shifts (specifically from lighting to non-lighting end uses) and higher unit costs.

Request IR-6:

Page 18, rows 16 through 20 of the Evidence state, “With the exception of the 2015 continuation year, EfficiencyOne’s and ENSC’s past DSM Plans have been based on a data-modelled approach that calculated the cost effectiveness of programs using a TRC test. As 2019 is a continuation of the 2016-2018 DSM Resource Plan, which was developed through a data-modelled approach, EfficiencyOne determined to not conduct this modelling for the 2019 DSM Resource Plan as it would significantly increase the costs of developing the Plan, diverting ratepayer funds from energy efficiency programs, without realizing proportional benefits since the inputs have not materially changed.”

a. Please explain the difference between the data-modelled approach and the approach EfficiencyOne took when creating the 2019 DSM Plan in more detail.

b. Please explain why and how EfficiencyOne shifted investments between programs and subprograms, and between measures targeting different energy uses in 2019.

c. Please show actual and projected energy and demand savings by end use for each year from 2016 to 2019.

Request IR-7:

Please provide a summary of the current lighting saturation by measure and sector and how this information informed the shifts EfficiencyOne implemented from lighting to non-lighting measures in 2019.

Request IR-8:

Page 19, rows 9 through 11 state, "EfficiencyOne is not proposing to abandon full modelling and standard cost-effectiveness screening tests in future DSM Resource Plans. The 2020-2022 DSM Resource Plan will include these calculations and results."

a. Is EfficiencyOne considering direct use of the "high level update[d]" cost or achievable potential values based on the underlying Navigant study information that EfficiencyOne provided in M08059, the Generation Utilization and Optimization study performed by Synapse, for the 2020-2022 DSM Resource Plan?

b. Does EfficiencyOne expect to formally update the cost or achievable potential from that Navigant study, prior to the 2020-2022 filing?

c. When does EfficiencyOne expect that avoided costs will be updated? Does EfficiencyOne expect to use values from updated avoided costs in its 2020-2022 filing?

d. Please provide any additional information or explanation EfficiencyOne has concerning its plans to update the Navigant study, utilize high level updated information from that study, or generally ascertain a "supply curve" of costs for different increments of achievable energy efficiency that could be used in the development of the 2020-2022 DSM plan.

e. Does EfficiencyOne expect to have additional detailed information on the 2020-2022 DSM plan prior to a possible update of NSPI's Integrated Resource Plan in 2019?

Request IR-9:

Page 22, rows 7 through 9 of the Evidence state, "ENS's electronic Technical Reference Manual (eTRM) was completed in 2017, allowing for its use in the delivery of the 2019 DSM Resource Plan."

a. Please provide the eTRM that was used in the 2019 DSM Resource Plan.

b. Please identify any key values that changed from the 2018 DSM Resource Plan to the 2019 DSM Resource Plan and the cause of the change (i.e., evaluation update, etc.).

Request IR-10:

Please refer to Table 1 – 2019 DSM Resource Plan Savings and Investment on page 3 of Appendix A.

a. Please provide a break-out of Investment, Incremental Annual Net Energy Savings at the Generator, Lifetime Net Energy Savings at the Generator, Incremental Annual Net Demand Savings at the Generator, First Year Unit Cost, Lifetime Unit Cost, Lifetime benefits, TRC Test Results, and PAC Test Results by each subprogram within each program (i.e., First Nations pilot, Residential demand response pilot, C&I demand response pilot, SEM, Green Heat, Home Energy Assessment, etc.).

b. Please provide this same table with 2016 and 2017 actual values.

c. Please provide this same table with 2018 plan values.

d. Please add number of eligible customers, number of participants, and avoided emissions data to all of these tables.

Request IR-11:

Please refer to Table 1 – 2019 DSM Resource Plan Savings and Investment on page 3 of Appendix A.

a. Please provide a break-out of Investment, Incremental Annual Net Energy Savings at the Generator, Lifetime Net Energy Savings at the Generator, Incremental Annual Net Demand Savings at the Generator, First Year Unit Cost, Lifetime Unit Cost, Lifetime benefits, TRC Test Results, and PAC Test Results by end use for each program, sector and in total.

b. Please provide this same table with 2016 and 2017 actual values.

c. Please provide this same table with 2018 plan values.

d. Please add eligible customer, participant, and avoided emissions data to all of these tables.

Request IR-12:

Please refer to Appendix A. Please provide a table indicating the following for each program and subprogram:

a. Incentive design, basis, and/or formulas

b. Focus on early retirement or replace on burnout

c. Covered measures or measure types

d. Customer eligibility requirements

e. Target customer segments and market segments

f. Market barriers and how the program designs address those barriers

g. Marketing strategies

Request IR-13:

Please refer to Appendix A. How does EfficiencyOne identify when the market for an efficiency measure has transformed? Please identify criteria that EfficiencyOne uses in making that determination.

Request IR-14:

Page 3, rows 12 through 15 of Appendix A state, "These energy and demand savings targets reflect the trends in both 2016 and 2017. The slight variance from the 2016-2018 annual average targets is due to the allocation of $1.0 million to Enabling Strategies for research and pilots that focus specifically on demand reduction."

a. Please describe how the need for $1.0 million for the demand reduction pilot was established.

b. Please provide a break-out of this budget by sector.

Request IR-15:

Page 4, rows 4 through 8 of Appendix A state, "The 2019 Enabling Strategies budget is $1.7M higher than the level spent in 2017 and $1.5M higher than spending in 2016. This 2019 Enabling Strategies budget is required to account for the additional costs that will be incurred in 2019 as a result of the 2020-2022 DSM Resource Plan Application process."

a. Please specify the additional costs that EfficiencyOne expects to incur in 2019 due to the 2020-2022 DSM Resource Plan Application Process.

b. Please describe the 2020-2022 DSM Resource Plan Application Process.

c. Please explain why additional costs are needed for this purpose in 2019.

d. Do these costs include funds to conduct a potential study? If not, why not?

Request IR-16:

Page 7, rows 4 through 12 of Appendix A state, "ENS anticipates an increase in 2019 net incremental energy and peak demand savings when compared to the approved 2016-2018 DSM Resource Plan. This outlook is influenced, in part, by the energy savings achieved in 2016 and 2017. In 2019, ENS anticipates Instant Savings will realize significantly lower energy savings than the levels achieved in 2016 and 2017. The majority of savings in recent years came from A-series LEDs; this trend is not expected to continue in 2019 as ENS seeks to diversify its portfolio. To counter a reduction in savings by potentially removing rebates on some lighting products, ENS will continue to investigate other energy efficient technologies to add to the program, helping homeowners and renters save on their electricity bills." Please explain how ENS can anticipate an increase in 2019 net incremental energy and peak demand savings when Instant Savings will realize significantly lower energy savings in 2019 than 2016 and 2017.

Request IR-17:

Please refer to Appendix A, page 7, row 23. Please describe the services and measures offered to mobile homes, and the approach EfficiencyOne takes for addressing and targeting this segment.

Request IR-18:

Page 13, rows 15 to 19 of Appendix A state, "The 2017 and 2018 incentive setting research is expected to help inform incentive decisions for products included in this program in 2019. In recent years the majority of the savings from this program has been from lighting upgrades, and ENS plans to review additional measure options, as well as consider market trends when establishing lighting incentives." Please provide a summary of research activities in 2017 and 2018 on incentive setting, and the status of those efforts.

Request IR-19:

Please refer to pages 20-21 of Appendix A regarding demand reduction pilots. For each pilot:

a. Please provide detailed documentation and plans for the two pilot activities discussed on page 21 of Appendix A.

b. Please provide detailed information on the potential measures discussed on page 21 as well as any other potential measures that were considered by EfficiencyOne.

c. Does EfficiencyOne have a plan to implement other demand reduction targets? If so, please provide any information available for such pilots.

d. Does EfficiencyOne currently have the information and communications technology (ITC) infrastructure to implement demand reduction pilots? If EfficiencyOne is planning on leveraging NSPI's ITC systems and assets, does EfficiencyOne currently have an agreement in place with NSPI to allow EfficiencyOne access to those systems? If not, what is EfficiencyOne's plan to leverage NSPI's systems?

e. For each pilot, please describe how EfficiencyOne's plans would be affected if (i) NSPI implements AMI, and (ii) NSPI does not implement AMI.

Request IR-20:

Please refer to Tables 2 and 3 on page 2 of Appendix B. Please provide the following charts, over this same time period (including actuals through 2017, planned for 2018 and proposed for 2019):

a. Spending;

b. annual incremental energy savings as a percent of sales;

c. lifetime unit cost; and,

d. avoided emissions.

Request IR-21:

Please provide an update regarding the timing of the DSM Affordable Multifamily Housing Pilot, including whether this pilot will be conducted in 2019.

Request IR-22:

Please refer to Appendix C: Forward-looking Rate and Bill Impact Analysis. How have the number of participants, savings per participant, and costs per participant changed for the 2019 rate and bill impact analysis as compared to the rate and bill impact analyses performed for the 2017 report and 2018 plan, given the greater proportion of non-lighting measures in the proposed plan?