

NOVA SCOTIA UTILITY AND REVIEW BOARD**IN THE MATTER OF: THE PUBLIC UTILITIES ACT**

- and -

IN THE MATTER OF: **IN THE MATTER OF AN APPLICATION** by **EfficiencyOne (E1)** for approval for the use of measure-level Non-Energy Benefits within the context of Cost-Effectiveness testing associated with future DSM planning regulatory processes

NON-CONFIDENTIAL INFORMATION REQUESTS

To: **James Gogan**
EfficiencyOne Counsel
The Breton Law Group
jim@bretonlawgroup.com

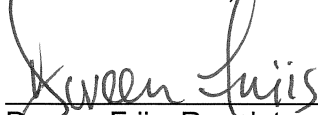
From: **Nova Scotia Utility and Review Board**
Board Counsel Consultant

Responses Due: **Wednesday, November 14, 2018**

Copies: 1 electronic copy (PDF searchable)
4 hard copies

Contact Person: **Mel Whalen, P.Eng.**
President, Multeese Consulting Inc.
Phone: (902) 497-3146
mci@accesscable.net

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Dereen Friis, Regulatory Affairs Officer/Clerk

Request IR-1:

Lines 3-5 on page 1 of 15 requests approval of “measure-level” NEBs.

- a) Please confirm that E1 currently applies the TRC at a program (rather than measure) level.
- b) If a) is confirmed, please explain how the inclusion of NEB’s at a measure level will be accommodated in the application of the TRC at the program level.
- c) Assume that the Residential program include only three measures from Table 10 (e.g. the 10.5W LED RES SF, the DHW Pipe Insulation RES SF, and the DHW Tank Wrap RES SF). Please provide a TRC calculation for a program that includes only these measures, showing the TRC with and without the NEBs. For the TRC including the NEBs, please show how the NEB’s are applied at the measure level, and how the TRC is calculated at a program level.

Request IR-2:

Lines 3-5 on page 1 of 15 state that the request for approval of the proposed NEBs is “within the context of Cost-Effectiveness (CE) testing”.

- a) Please confirm that E1 currently includes TRC and PAC results in its DSM CE testing.
- b) Please confirm that any proposed DSM program (with the exception of some low income programs) must have both TRC and PAC greater than 1.0.
- c) Please confirm that the inclusion of NEBs will affect TRC results only, and will have no effect on PAC results.
- d) For DSM programs that pass the TRC as it is currently used in NS (i.e. without NEBs), what effect will a modified TRC have in terms of the CE of those programs, and in terms of whether or not they might be pursued by E1?
- e) Please identify DSM programs (or program measures) that E1 has assessed which do not pass the TRC as it is currently used in NS, but which would pass the TRC if the NEBs proposed in this Application were included in the TRC.
- f) What are E1’s views on providing (in future DSM Plans submitted to the Board) two TRC’s for each proposed program; one TRC as it is currently used in NS, and a second TRC including whatever NEBs may be approved in this proceeding?
- g) Please confirm that some DSM measures which fail the TRC (as it is currently used in NS) may be included in a program that passes the TRC, because such measures are deemed critical to the program.

Request IR-3:

With respect to the “context of CE testing” referenced in Lines 3-5 on page 1 of 15:

- a) How many jurisdictions in the US use a TRC as part of CE testing, and of those how many include NEBs in the TRC?
- b) How many jurisdictions in Canada use a TRC as part of CE testing, and of those how many include NEBs in the TRC?

Request IR-4:

Lines 4-8 on page 2 of 15 lists four shortcomings of the TRC, as it is currently applied in NS. Please comment on how each of these four is addressed by the inclusion of NEB's in the TRC calculation. If any of the four is not addressed by the inclusion of NEB's, what further work and what additional modification of the TRC, is necessary to address it? Is any of this further work currently being done, either in NS or in other jurisdictions?

Request IR-5:

On May 11, 2017 E1 submitted its Incentive Setting Methodology. This was approved by the Board on July 18, 2017. Please specify what effects, if any, the modification of the TRC to include NEBs will have on this methodology, or the results that it produces?

Request IR-6:

Re page 7 of 15, Lines 3- 5:

- a) Please explain what is meant by “primary research”, and the process by which it was completed in other jurisdictions.
- b) What other jurisdictions have “invested heavily” in primary research?
- c) For those identified in b), how much was invested, and over what timeframe was the research completed?

Request IR-7:

Re the selection of Massachusetts as the “source jurisdiction”, as referenced at Lines 13- 17 on page 7 of 15:

- a) For whom and by whom was the Massachusetts research completed?
- b) Are all NEB's currently used in Massachusetts based on primary research? If not, please identify those that are not and explain how they were determined.
- c) What methodology was used to gather the primary market data?

- 1 d) Was primary market data collected on a DSM measure basis or on a DSM program
2 basis?
- 3 e) For each NEB addressed by the study, what was the range of the data relative to the
4 single values that were determined for each DSM measure or program?
- 5 f) How was the market data collected for each NEB condensed into a single value for each
6 NEB?
- 7 g) How much did Massachusetts spend on its primary research and the development of
8 NEBs?
- 9 h) Over what period of time was the research completed?
- 10 i) What market sectors were addressed by the primary research?
- 11 j) Appendix A of Attachment 4 summarizes some of the work done in Massachusetts,
12 together with links to associated reports, but those links do not provide report access.
13 Please provide links which allow access to the reports.
14

15 **Request IR-8:**

16 Re page 7 of 15, Lines 19-23 state that VEIC “mapped measure and end-use values from the
17 Massachusetts research base and TRM to the measures modelled as part of the 2016-2018 DSM
18 Resource Plan modelling process”.

- 19 a) Please explain how VEIC did this.
- 20 b) What is the difference between “measure” and “end-use level” values?
21

22 **Request IR-9:**

23 Line 3 on page 13 of 15 describes the values in the VEIC report as a “living document” and Lines 5-
24 16 on the same page discuss how the values will be updated.

- 25 a) Line 5 notes E1’s plan to undertake a full review of the NEBs, and Line 8 recommends
26 “that this effort be reviewed by the UARB and intervenors in the same manner as the
27 review of the DSM Potential Study itself”. Please elaborate on the level of Board review
28 envisaged by this statement.
- 29 b) Lines 13 – 16 refers to triennial or ad-hoc reviews of the NEBs using an abbreviated
30 research review process, with changes to be discussed with the DSMAG. Please
31 elaborate on how this process differs from the review referenced in Line 5, and why no
32 Board review would be required.
- 33 c) Please discuss the process by which Massachusetts updates its NEBs, the process by
34 which current NEBs were approved by the regulator, and the process by which
35 modifications to the NEBs are approved.

1
2 **Request IR-10:**

3 The VEIC Report (Attachment 4), in the second paragraph on page 4 of 64, briefly discusses the
4 different approaches to including NEBs. The last sentence of that paragraph notes that “Currently,
5 broad measure-level NEBs have been approved by utility regulators and incorporated into efficiency
6 screening in Massachusetts, Rhode Island and Maryland”.

- 7 a) Is the TRC used to screen DSM in each of the referenced states?
8 b) Please identify other states or provinces which use the TRC as a screening test and
9 where such regulatory approval and incorporation of NEBs is in place.
10 c) Please confirm that the manner in which NEBs are included in efficiency screening in the
11 referenced states is similar to the manner in which E1 proposes in this Application.
12

13 **Request IR-11:**

14 Table 1 (page 5 of 64) of the VEIC Report (Attachment 4) lists NEBs “Recommended for Inclusion
15 in the ENS Market Rate Programs”.

- 16 a) Please identify which of these E1 believes are currently accounted for by customers who
17 consider whether to participate in DSM programs offered by E1 (either because the
18 customers are aware of these NEBs themselves, or because they are communicated to
19 customers by E1, as part of its DSM marketing and promotion).
20 b) In cases where E1 makes these benefits known to customers, are such benefits
21 communicated in a general manner (i.e., simply make the customer aware of such
22 benefits), or are they communicated as specific values of estimated dollar savings?
23

24 **Request IR-12:**

25 The second paragraph on page 6 of 64 of the VEIC Report (Attachment 4) discusses how NEBs
26 were developed as a per Kwh value. Please provide an example, showing how the NEB was
27 developed for a particular technology or end use, and how that NEB was then converted to a per
28 Kwh value.
29

30 **Request IR-13:**

31 Page 8 of 64 of the VEIC Report (Attachment 4) provides a formula for the TRC which includes
32 “Participant Benefits” in the numerator. At the top of page 9, the report notes that “Currently, in the
33 screening methodology for Nova Scotia’s portfolio, all the costs of the programs are included in the
34 ratio, but some of the benefits, namely benefits to participants beyond direct energy savings, are not

1 included in the equation". Please clarify what participant benefits are currently included in the
2 calculation of the TRC in NS.

3
4 **Request IR-14:**

5 The VEIC Report (Attachment 4) states in the last sentence of the second paragraph on page 10 of
6 64 that "As a result of this research, the incorporation of NEBs into appropriate cost-effectiveness
7 screening has been identified and accepted as a best practice in efficiency program administration".
8 Please reconcile this with Figure 1 and Figure 2, both of which appear to suggest a more restricted
9 inclusion of NEBs in actual practice.

10
11 **Request IR-15:**

12 The VEIC Report (Attachment 4) states on page 6 of 64 that "After a full review of 238 measures
13 modelled as part of the 2016-2018 DSM Resource Plan development and offered by Efficiency Nova
14 Scotia, NEB adjustments were recommended for consideration for 156 measures". At page 14 of
15 64, the report lists six categories into which the process for applying NEB values from Massachusetts
16 to the programs in NS fell. Please identify how many of the 156 measures for which NEBs are
17 recommended fall into each category.

18
19 **Request IR-16:**

20 Tables 11, 12 and 13 of the VEIC Report (Attachment 4) show Total Benefits and TRC Ratios With
21 and Without NEBs for the years 2016, 2017 and 2018, and Table 4 indicates that a high percentage
22 (83.9%) of the NEB value is related to increased property values. Please provide Tables 11, 12 and
23 13 with the NEBs related to increased property values excluded.

24
25 **Request IR-17:**

26 Please provide the derivation of each of the following from Table 10 of the VEIC Report:

- 27 a) The \$970.02 for Multi-Tank Conveyor Commercial Dishwasher (Low Temp) - Retail
- 28 b) The \$15.24 for T8 Dimmable Stairwell Lighting – Retail
- 29 c) The \$11.86 for Lighting Controls – Occupancy Sensors – Schools
- 30 d) The \$724.69 for High Efficiency Air Source Heat Pumps: Air source Heat Pumps Baseline
31 – Office
- 32 e) The \$215.17 and the \$61.51 for Ground Source Heat Pump – RES SF