2018 **M08888**

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 process

INFORMATION REQUESTS

To: James Gogan
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The Breton Law Group
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From: The Consumer Advocate

Responses Due: November 14, 2018

Copies: 1 electronic copy (PDF searchable)

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Request IR-1:

"Water savings values were adjusted by using Halifax Water and Wastewater rates..." (p. 8)

a) It appears that any measure with water savings is wildly cost-effective without any NEBs. If the inclusion of water savings would change any of E1's program proposals, please explain how those proposals would change.

b) Does E1 expect that the water prices for smaller Nova Scotia water utilities would be higher than those of Halifax Water?

c) Does E1 expect that the water costs per m^3 for Nova Scotia customers without municipal water would be higher than those of Halifax Water?

d) Has E1 considered whether the avoided cost of water consumption for Halifax Water would be higher or lower than the Halifax Water rates? If so, please describe that consideration and provide any workproducts.

Request IR-2:

Regarding the inclusion of residential Property Value as an NEB (Application, p. 9).

a) Please provide any evidence available to VEIC or E1 that the Massachusetts program administrators have included an increase in residential Property Value as an NEB in screening measures or programs for the 2019 program year.

b) If a participant in the Massachusetts survey believed that the reduction in the energy bills for the property would increase the property value, would that amount to double-counting the avoided energy cost?

   i) Please provide any information available to VEIC or E1 regarding the relationship between the Massachusetts residential energy charges and the Massachusetts avoided energy costs. (E.g, are the residential energy charges close to the avoided energy costs, much higher than avoided costs, or much lower than avoided costs?)

   ii) Please explain anything that the Massachusetts surveys did to eliminate this double-counting.

   iii) If the measure reduces the participant's bill by $200/year and reduces NS Power's costs by $100/year, and the participant sells the property after five years for $1,000 more than the unimproved home, how would E1 compute the TRC benefit to NS Power and its customers over 20 years.

c) If a participant in the Massachusetts survey believed that the improved thermal comfort, reduced maintenance and increased equipment durability resulting from adding a wood boiler would increase the property value, would that amount to double-counting the other NEBs?

i) If not, please explain why the participants would not have included the annual value of comfort, maintenance and durability after the sale of the property in their estimates of property value.

ii) Please explain anything that the Massachusetts surveys did to eliminate this potential double-counting.

d) Please identify any measures that fail the TRC without this NEB, but would pass the TRC with this NEB.

i) If there are no such measures, please explain why it is important to include this NEB.

Request IR-3:

Regarding the statement that "the NEB category that included property value increases…also includ[ed] the perceived value of ease of sale from the participant's perspective" (Attachment 1, p. 25)

a) Please clarify whether this statement also applies to the Increased Rent Revenue NEB.

b) Please provide any information on the share of the participant-reported property value increases that actually reflected the value of increased ease of sale.

i) If the statement also applies to the Increased Rent Revenue NEB, please provide the same information for responses to that question.

c) Please explain whether the value of "ease of sale" is distinct from "property value increases." Specifically, if a participant thought that the reduced energy bills and increased amenities would increase the value of the property, wouldn't the participant expect that either the property would sell faster at the pre-measure price or could be sold for a higher price if the owner asked for a higher price?

i) If the statement also applies to the Increased Rent Revenue NEB, please provide the same information for responses to that question.

Request IR-4:

Regarding the statement that "The original Massachusetts studies included what amounts to an error check within the survey methodology – after declaring perceived NEBs by category, participants are then asked to provide their estimation of total impacts across all categories. This total value used to pro-rate the values in each category." (Attachment 1, p. 25)

a) Please explain whether the check was based on the annual benefits, the one-time benefits, or separately for both.

b) Please provide the Massachusetts survey instrument, or the portion with this "error check."

c) If a participant believed that the increase of comfort for the measure would be worth $100 annually, and that the increased comfort would increase the resale value of the house by $500, what should the participant have reported on the survey?

d) If the participant enjoys the increased comfort for $100/year for five years, then sells the house for $500 more than it would have attracted without the efficiency measure, and the new owner pays $500 more than it would have otherwise and enjoys $100/year in increased comfort for fifteen years, what is the total benefit to NS Power and its customers over the twenty-year life of the measure?

Request IR-5:

Regarding Attachment 4 - Appendix C:

a) Please explain the meaning of the $1.26 in cell Z3.

Request IR-6:

Regarding the inclusion of Increased Rent Revenue as an NEB (Application, p. 9).

a) Please provide the studies that developed the values for increases in rent revenues.

b) Please explain how the analysis netted out the effect of reduced tenant electric bills on rent revenues.

c) Please provide any evidence available to VEIC or E1 that the Massachusetts program administrators have included an increase in rental revenue as an NEB in screening measures or programs for the 2019 program year.

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