2018 **M08888**

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The ***Public Utilities Act***, R.S.N.S. 1989, c.380 as amended

-and -

IN THE MATTER OF: EFFICIENCYONE – Evaluation of DSM Programs – Application to allow inclusion of Non-Energy Benefits

INFORMATION REQUESTS

To: EfficiencyOne
By e-mail: jim@bretonlawgroup.com

From: NS SBA

Responses Due: November 14, 2018

Contact People: E.A. Nelson Blackburn, Q.C.
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Issued at: Bedford, Nova Scotia, this 24th day of October 2018.

Request IR-1:

Are Non-Energy Benefits (NEBs) reported by the Vermont Energy Investment Corporation (VEIC) study (NEB Application, Attachment 4: Final VEIC NEBs Report with Appendices – July 12, 2018) primarily based on the NEBs estimated by studies in Massachusetts (MA)?

If yes, please provide responses to following questions:

a. Did EfficiencyOne (E1) or any of its consultants perform any research to verify that the sample size used in the MA study is representative of the overall population of Nova Scotia?

Request IR-2:

Regarding the NEBs associated with the property values, please state if VEIC performed any rigorous statistics study to estimate the NEBs associated with property values.

Request IR-3:

If the property values included in the VEIC Report is based on the study of MA:

a. Please explain the method used in the MA study to identify property value-based NEBs.
b. Did the MA study include any rigorous statistic study to estimate the increased property value as a result of the installation of Energy Efficiency (EE) measures?

Request IR-4:

Table 1 (NEB Application, Page 9 of 15) lists types of NEBs recommended by VEIC for adoption. The NEBs considered in the study are either based on avoided resource cost or based on the perceived value of the customers. Please separate out the types of NEBs listed in Table 1 by identifying whether they are based on the avoided resource cost or the perceived value of the customers.

Request IR-5:

Regarding the Measure-level NEB Study conducted by VEIC (NEB Application, Attachment 4: Final VEIC NEBs Report with Appendices – July 12, 2018), please provide responses to following statements:

a. Total number of measures considered by VEIC in estimating NEBs.
b. Total number of measures with non-zero NEBs recommended by VEIC.
c. For measures that have non-zero NEBs, list the number of measures that experienced the following Total Resource Cost (TRC) percentage increases after including NEBs as compared with not including NEBs:

i. Less than 10% increase
ii. 10 – 25% increase
iii. 25 – 50% increase
iv. 50 – 100% increase
v. More than 100% increase

Request IR-6:

Does the proposed method of including NEBs in Cost-Effectiveness (CE) testing for EE measure selection reduce electric energy cost to the customers?

Request IR-7:

Can EfficiencyOne envision any scenario where inclusion of NEBs in the CE testing would increase the energy costs to the customers?

Request IR-8:

Does the CE testing methodology proposed by EfficiencyOne put any limitation on how much NEBs (as a percentage of energy benefits) can be considered in the cost-effectiveness testing?

Request IR-9:

How does the proposed methodology of including NEBs in CE testing impact the measure selection process for measures that have NEBs substantially higher than benefits associated with energy and peak demand savings?

Request IR-10:

Please provide a comparison of the recommended program funding for a future program year without the consideration of NEB and with the proposed methodology of considering NEB in CE testing. Please include a description.

Request IR-11:

Is EfficiencyOne willing to have its goals and compensation based on proven realization of achieving the NEBs used for the program cost-benefit testing?

Request IR-12:

Please provide legislation and regulatory documents that provide the basis for authority for EfficiencyOne to sponsor programs based upon NEBs.

Request IR-13:

For the hypothetical measures included in each of the three groups listed in the table below, please identify one measure that would be selected from each group under the proposed method of including NEBs in CE testing.

Group	Measure Name	TRC without NEB	TRC with NEBs	Measure Selected under proposed CE Testing
Group 1	Measure A	1.5	1.8	
	Measure B	1.3	2.3	
Group 2	Measure C	1.5	1.8	
	Measure D	1.8	2.1	
Group 3	Measure E	1.4	1.8	
	Measure F	1.4	2.0	

Request IR-14:

Regarding the current 2018 DSM Plan,

a. Please provide measure-level TRC results for each of the measures by DSM program included in Residential and BNI Sector with and without including NEBs.
b. Please provide TRC results for all measures by DSM program that includes NEBs by further separating NEBs between avoided-resource cost based and perceived-value based.
c. Would the choice of measures have been different if NEBs were included in CE testing for selecting portfolio of measures of 2018 DSM Plan?
d. If the answer is yes to 14(c), please provide the list of measures selected in each DSM program by considering proposed methodology of including NEBs in CE testing for 2018 DSM Plan.

Request IR-15:

Please identify the suite of EE program measures developed and marketed by the unregulated affiliate of Efficiency One and compare and contrast these to the EfficiencyOne measures included in the 2018 DSM plan. Do any of these non-regulated program measures incorporate NEBs?

Request IR-16:

EfficiencyOne has requested approval to base future estimates of Low-Income NEBs on the 2016 Three study performed in Massachusetts with a publication date of 2016 (page 14 of the Application) as well as other studies from 2016 and 2014. Please explain in detail why

EfficiencyOne finds it reasonable to base its 2018 DSM plan and future estimates on an outdated study.

Request IR-17:

If EfficiencyOne expects, as indicated in Section 3.2.3, page 12, of the Application that "…new data may change the relevance of existing data", please explain why NEBs should be heavily relied upon at this time to achieve a CE value of 1.00 or greater.

Request IR-18:

What does EfficiencyOne mean by the term "primary research" (page 15, line 13, of the Application) and what are the metrics EfficiencyOne will publish prior to conducting such research to allow the DSMAG to determine that the results are verifiable and adequate?

Request IR-19:

How will EfficiencyOne adapt its program results and future plans when homes, for which measures have been installed due to assignment of NEBs based on perceived increase in property value, are subsequently sold but that higher value was not fully realized?