



Terms of Reference – EfficiencyOne Performance Alignment Study

DRAFT FOR DISCUSSION ONLY

Project Background and Objectives

EfficiencyOne was directed by the Nova Scotia Utility and Review Board (NSUARB) to conduct a study of its historic underspending of planned Demand Side Management (DSM) budgets and historic exceeding of energy saving targets. The Study is to assess the factors that resulted in this trend and determine whether they continue to be present in EfficiencyOne's current operating environment. KPMG was engaged to assist EfficiencyOne with the study and to provide a detailed report to the NSUARB by March 31, 2020.

Project Scope

The scope of the study will include:

- Review of the DSM planning process at EfficiencyOne including the key considerations used to inform the development of DSM Plans;
- Identify where key sources of information are gathered for DSM Plan development;
- Assess the implementation of DSM Plans into EfficiencyOne's operations;
- Assess the constraints, limitations and parameters surrounding DSM Plan development and implementation; and
- Assess the continuous monitoring of DSM performance throughout the DSM Plan term.

KPMG Approach and Work Plan

To complete the study, KPMG will:

- Obtain an understanding of the existing end-to-end DSM planning and implementation process at EfficiencyOne and document the current state by:
 - Conducting interviews with key EfficiencyOne personnel involved in the DSM planning and implementation processes;
 - Reviewing documentation related to the 2016-2018, the 2019, and the 2020-2022 DSM planning processes, including identifying relevant operating parameters and constraints of these plans;



- Reviewing documentation related to the implementation of the DSM plans and the impact of the associated performance metrics;
 - Obtaining an understanding of sources and reports used to inform the development of the DSM plan for 2016-2018, 2019 and 2020-2022; and
 - Obtaining an understanding of models and formulas used by EfficiencyOne and tools and third-party service providers engaged in the modelling process of the plan.
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- Complete process walkthroughs and observe documentation to support and evidence the process description as provided by EfficiencyOne.
 - Document the current state of the process through process flows and validate the flows with EfficiencyOne's Management.
 - Gather an understanding of the DSM planning process, sources and key assumptions evolution over time to understand potential impact on EfficiencyOne's future estimates and plans.
 - Identify what is working well with the current processes and identify areas for improvement based on leading practices (if any) based on a jurisdictional scan of similar organizations.
 - Issue a draft report that will include the documented process flows, our findings and any conclusions of the study completed including any recommendations for improvement based on leading practices, if applicable.
 - Discuss the draft report with EfficiencyOne and address any EfficiencyOne Management feedback, if applicable.
 - Issue final report to be filed with the NSUARB by March 31, 2020.

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