

## **Ontario Natural Gas Technical Evaluation Committee 2015 3rd Quarter Report**

The Technical Evaluation Committee (TEC; “the Committee”) publicly reports its discussions and activities on a quarterly basis. This report reflects work conducted for the period of July 30, 2015 to September 16, 2015. Previous quarterly reports are available on the Ontario Energy Board (OEB) [website](#).

### **1. Technical Reference Manual Project**

#### **1.1 Review of Measures**

Review of measure substantiation documents is ongoing. To date, 24 substantiation documents are completed (11 filed with the OEB, 13 are TEC-endorsed, 8 are under review, 13 require a 1st iteration, of which 11 are boilers). Heat Reflector Panels and Commercial Showerheads also require a 1<sup>st</sup> iteration.

The Committee endorsed the following substantiation documents:

#### **July 2015:**

- Residential Condensing Furnace (New Construction / Time of Natural Replacement)
- Adaptive Thermostats

#### **September 2015**

Boilers: The TEC endorsed the current savings assumptions for prescriptive boilers for application to savings claimed by utilities for their respective 2014 DSM Audits and Clearance of DSM Accounts.

#### **1.2 Online Component**

Enbridge confirmed with MindTouch that OEB Staff T. Plagiannakos will be their primary contact. The utilities are currently finalizing the contract with MindTouch, pending international tax considerations.

### **2. Board Staff update on Evaluation Advisory Committee (EAC)**

T Plagiannakos indicated his office is encountering time challenges due to competing demands, and that an RFP for the Evaluation Contractor (EC) would not likely be drafted for comment by the new EAC until late October. TEC members expressed concern that this timeline will cause the utility audit processes to be significantly delayed while noting the high improbability of the utility DSM Annual Reports meeting a filing deadline of April 1 2016.

TEC members and T Plagiannakos discussed possible roles and responsibilities of the Evaluation Contractor. In particular, members recommended avoiding bias or conflicts of interest by separating the administration of the evaluation and audit processes from implementation of these. For example, members suggested the Evaluation Contractor's role could incorporate the following:

- Maintain and update the Technical Reference Manual;
- Advise the EAC on evaluation priorities; and
- Draft Requests for Proposals for audit and evaluation projects.
- If the EAC felt certain projects didn't pose a threat of bias, they could assign them to the Evaluation Contractor as appropriate.

TEC and Board Staff agreed that Board Staff will call a meeting of the EAC in October, 2015.

Discussion will include:

- defining members' roles and responsibilities (possibly in the form a Terms of Reference); and
- including the combined expertise of the appointed stakeholder representatives and utilities in gaining input for the draft RFP for the Evaluation Contractor.

### **3. Custom Commercial and Industrial Net-to-Gross (NTG) Study**

The NTG subcommittee resolved the remaining issue surrounding current year vs. cumulative years of influence. The consensus agreement was shared with the TEC (below) and all members noted their approval to move ahead.

"The primary objective of the free ridership estimation will be to capture the effect of the program(s) on the current project. The effect on the current project of prior and indirect program

experience will be captured in a secondary, less rigorous question sequence. The work plan will propose specifics for operationalizing this approach.” (DNV Parking Lot Memo, June 9, 2015)

The NTG subcommittee is scheduled to meet in late September to discuss 2013 audit recommendations relating to the NTG study as well as the project timeline and next steps, such as the consultant’s work plan and transferring data from the utilities to the consultant.

#### **4. Boiler Baseline Study (BBS)**

The TEC endorsed the BBS Request for Proposal, which will be included in the Request for Proposals to conduct an analysis of the inputs used to calculate boiler annual seasonal efficiency savings (currently in development).

#### **5. Persistence Study**

In response to questions posed to Board Staff at the July 2015 TEC meeting on the value and appropriateness of conducting a Persistence Study, T. Plagiannakos indicated the current broad concept of the study would be to:

- Confirm that a measure is still in place and in use; and
- Confirm the actual savings persistence of the installed measure.

TEC members and Board Staff discussed when and how to transfer the TEC’s initial work to the new EAC. Members highlighted the direction provided in an August 2015 letter from OEB (pg.4) where “initiation of a Persistence Study” is listed among the TEC’s ongoing work. TEC members urged Board Staff to consider transferring their work to the EAC before a RFP is drafted and a vendor selected.

Note: On September 17, 2016, Board Staff communicated to the TEC that “the work that has been initiated by the TEC with respect to the Persistence Study will be transitioned to the Board in October [2015] when the first Evaluation Advisory Committee meeting is planned to take place.”

#### **6. Audit Governance**

The utilities sought a status update from Board Staff on audit governance as it pertains to the 2015 DSM Audit and CPSV Process. The current guidelines explicitly state that the Board will

be responsible for selecting an auditor and the Board will strive to have an auditor hired by October 1<sup>st</sup> with the process beginning in 2015 (applicable to the 2015 DSM program year results). The utilities advised Board Staff that historically, at this time, the TEC would begin its review of the utilities' prior year audit recommendations that are directly related to the CPSV Terms of Reference and Sampling Methodology. Subsequently, the TEC would determine what enhancements should be incorporated into the documents for the proceeding audit process.

Board Staff indicated that they will endeavour to report on the Audit Governance at the next TEC Meeting while noting that they recognize audit timelines will be impacted.

Board Staff confirmed that the utilities should not move forward with setting up their Audit Committees.

Board Staff confirmed that the TEC should not begin work on the CPSV Process at this time.