

## **Ontario Natural Gas Technical Evaluation Committee**

### **2014 1<sup>st</sup> 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 January 1, 2014 to March 31, 2014. Previous quarterly reports are available on the Ontario Energy Board (OEB) [website](#).

#### **1. TEC-Related Audit Recommendations**

In Q4 2013, the Committee prioritized 14 recommendations<sup>1</sup> (13 for Union; 1 for Enbridge) raised during the utilities’ respective 2012 audits. In Q1 2014, the TEC sought resolution on three of Union’s recommendations, with a view to prioritize and address the remaining 10 recommendations for Union and one recommendation for Enbridge in the second half of 2014.

The three Union recommendations that were addressed included:

*UG#1 - Regarding the current use of natural gas hot water heaters, change all “Don’t Know” responses collected through surveys supporting the Energy Savings Kits (ESKs) verification study to “No” responses, and change the adjustment factors for the ESK Residential Push/Pull measures accordingly. The Auditor recommends using this approach until the Technical Evaluation Committee (TEC) is able to address this issue.*

The TEC discussed the general treatment of “Don’t Know” responses collected through surveys. Though several members agreed that standard best market research practice was followed by Union, consensus on this issue was not reached.

The TEC agreed that the treatment of “Do Not Know” responses should be recommended by the market research firm up front and ahead of survey deployment. If the Auditor disagrees with the determined treatment, the utilities will work through the matter with their respective Audit Committees.

---

<sup>1</sup> One additional audit recommendation for EGD (improvements to the CPSV process) was addressed in Q4 2013. Likewise, one additional recommendation for UG was slated for discussion as part of the next DSM plan.

*UG#21 – In future verification studies, Union should request that Verification Consultants use zero decimal places when reporting verified gas savings in order to match number of decimal places used in original claim.*

The TEC agreed that the verification consultant should never use decimal places when reporting verified gas savings. The TEC also agreed that the verification consultant should use best engineering practice and round to the number of significant figures that carries meaning in contributing to the precision of the verified gas savings.

*UG#28 – Develop guidelines about how to differentiate issues related to baselines, EUL, and free riders.*

The TEC agreed that baselines, EUL and free riders will be dealt with in the next generation framework as the current Natural Gas DSM Guidelines provide provision on how to deal with these issues. The TEC can make recommendations to inform the next generation framework.

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

The TEC received five proposals for the NTG Study on December 23, 2013. The TEC discussed their evaluation and proposal rankings. Following a Request for Proposals process, interviews were held with consultants shortlisted by the TEC. DNV KEMA (now DNV GL) was selected as the project consultant.

Members from DNV GL joined the TEC in March 2014 to kick-off the project. DNV GL walked the TEC through their kick-off presentation while allowing for significant question, answer, and discussion time.

The Committee and DNV GL acknowledged that the primary objective of this project is to develop a transparent, reputable study that produces strong, credible, and defensible NTG ratios to be used on a go forward-basis. The potential for 'scope creep' is a concern of several members of the TEC and DNV GL. Having identified some challenges in conducting customer surveys in the summer months (June-August), an updated project completion date will be proposed by DNV GL.

### **3. Technical Reference Manual (TRM)**

The TRM project was initiated in March 2013. Review of prescriptive measures by the consultant (ERS Inc.) and the TEC subcommittee is ongoing. The TEC endorsed a final version of the High Efficiency Water Heater substantiation document, the first measure completed for the TRM project. This document aims to serve as the template from which the remaining substantiation documents will be developed. Measures currently under review include:

- New Measures: Demand Control Ventilation
- Ozone Laundry

#### **3.1 Software Vendor Selected:**

To inform its selection of software to support the Technical Reference Manual wiki platform, a representative from MindTouch was invited to present to the TEC. ERS Inc. also provided a demonstration of the functionalities of a second software option. The TEC selected MindTouch as the platform for the TRM project, pending MindTouch's ability to work out minor issues (i.e. printing of entire TRM site in .pdf format).

#### **3.2 TRM Project Budget Update**

To date, ERS has been billing the utilities on a milestone basis and ERS has spent approximately two thirds of the allocated budget. ERS indicated that they have put in more effort than initially expected and are not on track to deliver the project on budget. The TEC asked ERS to prepare and deliver a variance analysis outlining the discrepancies that are due to ERS' planning and those resulting from the Committee's review processes.

### **4. 2013 New and Updated DSM Measures**

The TEC endorsed the following measures and values as part of the 2013 New and Updated DSM Measures filing:

- 15% free ridership value on savings claimed through Enbridge's Community Energy Retrofit (CER) offering and Union's Home Reno Rebate (HRR) offering. The TEC agreed that there is likely to be spillover but there was not consensus on whether the evidence was compelling enough to include a spillover value.

- Addition of Exposed Floor Insulation as a major measure for Enbridge's CER offering and Union's HRR offering.
- Update to Measure Life applied to the utilities' respective Low Income Weatherization offerings – 25 years;
- Update to 2.0GPM Low Flow Showerhead (EGD) for Low Income Single Family, Low Income Multi Residential and Multi Residential;
- New Prescriptive Measure: High Efficiency Water Heater substantiation document;
- Update to Measure Life for Enbridge's CER and Union's HRR: Installations including a high efficiency furnace – 15 year; and
- Update to Measure Life for Enbridge's CER and Union's HRR: Installations excluding a high efficiency furnace – 25 years.

Future meetings: April 14 2014; May 15, 2014; June 12, 2014