

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

### **2014 2<sup>nd</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 April 1, 2014 to June 30, 2014. Previous quarterly reports are available on the Ontario Energy Board (OEB) website [online](#).

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

A subcommittee consisting of J. Shepherd, B. Wirtshafter, Union, and Enbridge was assigned for the NTG Study. The Committee discussed the TEC’s role vs. the NTG subcommittee’s role in relation to the NTG Study. A TEC endorsed Project Logistics document reflects the results of this discussion.

The Committee discussed outstanding issues identified by the Consultant (DNV GL) after the NTG kick-off meeting in March 2014. The parking lot items discussed consisted of:

1. How much contact should the evaluation have with program staff regarding specific projects?
  - Agreements:
    - The Consultant should determine the extent of contact it requires with utility program staff, in order to be fully informed on the customer’s relationship with each utility prior to conducting the Net to Gross survey, given the complexity of the project and the contents of the project files. The Consultant will follow up as required with the utilities.
    - The TEC is comfortable with the Consultant constructing the survey instrument to include probes providing leading questions are not included.
    - A rationale for the use of probing questions should be included when the survey instrument is drafted, and added in the final report.
    - The TEC will review survey questions and probing instructions prior to fielding interviews.

2. Can the evaluation determine which portions of the attribution were due to financial incentives, which were other services, etc.?
  - Agreements:
    - Qualitative information on the influence of program activities will be gathered and reported to the extent this can be done within the defined project scope and budget.
    - The Consultant will maintain the database of raw data. Further conversation with the Consultant is required around what the Consultant can provide to the TEC in terms of the raw data. The TEC will decide later if there is desire or budget to look into this further.
3. Do we want to make a concerted effort to talk to self-direct customers who only spent a portion of their incentive money? As opposed to customers who used it all because they lose it otherwise.
  - Agreements:
    - Consultant's expert judgment would be helpful on this issue;
    - Final stratification should be representative;
4. The utilities report lifetime savings; should the evaluation use a dual baseline net-to-gross calculation? If so, how will the evaluation determine existing efficiency baseline savings without doing the full verified gross savings calculation process?
  - Consultant Action Item: Consultant to provide a simplified explanation of the two approaches, Life Cycle Net Savings (LCNS) versus Year One Net Savings (Y1NS) and the pros and cons of each.
  - TEC Net to Gross Action Item: Determine whether to pursue both Y1NS and LCNS methods, or select one. Resolution needed prior to starting analysis.
5. There is uncertainty about when influence occurred and what it means for NTG, largely around projects that receive incentives and are free riders in the current program year but were not free riders when they participated the first time in a past program year. How many historical program years should be taken into account by the study in determining NTG?
  - Agreements:

- Specific program activities that influenced the project in question will be taken into account no matter when they had influence. This applies primarily to the long sale cycles.
    - TEC to discuss further and decide which approach to take (one year versus cumulative years) or whether to attempt to measure both.
    - Deciding on one or the other prior to reporting is important to avoid higher stakes debates once results are known.
  - TEC Net to Gross Action Item: Decide which approach is preferred or whether surveys and interviews should attempt to capture both types of program effects. Decision required prior to survey instrument development.
6. Should the evaluation do spillover analysis with the large industrial customers in Union Gas' new self-direct program, even though there hasn't been much time for them to complete projects? It would give the TEC something to use going forward, even if it's understated.
- Agreement:
    - Consultant's expert opinion will be sought on this question.
  - Consultant Action Item: Consultant will recommend to the TEC a course of action for estimating spillover for the Union self-direct program once more information has been reviewed.

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

### 2.1 Measure Update

Review of the utilities' prescriptive measures by the Consultant (ERS Inc.) and the TEC subcommittee is ongoing. The Committee reviewed and endorsed the final Demand Control Ventilation (DCV) substantiation documents (Retrofit and New Construction). Measures currently under review include Ozone Laundry, Dishwashers, and Tankless Water Heaters.

### 2.2 TRM Budget Update

The TEC received a budget variance analysis in a memorandum issued by the Consultant. The TEC agreed that any increase in budget would need to be accompanied by a revised set of progress milestones, with specific payments from the remaining portion of budget tied to achievement of those milestones.

The TRM Subcommittee (C. Neme, T. Kesik, Union, and Enbridge) provided the Consultant with a listing of project conditions and revised billing milestones. The Consultant agreed to the TEC's proposal. The TRM Subcommittee requested clarity from the Consultant on a project completion date and schedule for reviewing remaining measures.

### **3. Input Assumptions Update (EB-2013-0430)**

The Joint Input Assumptions filing was circulated to the TEC for support prior to filing with the Ontario Energy Board. The joint application updates the common Table of Measure Assumptions and Substantiation Documents. With respect to this update, the TEC endorsement spoke only to the following measure assumptions:

- High Efficiency Water Heaters;
- Update to 2.0 GPM Low-Flow Showerheads for Low Income Single Family, Low Income Multi Residential and Multi Residential;
- Revised Measure Lives for Community Energy Retrofit (Enbridge), Home Reno Rebate (Union Gas), Low Income Weatherization (Enbridge) and Low Income Weatherization (Union Gas); and
- Revised Free Ridership value for Community Energy Retrofit (Enbridge) and Home Reno Rebate (Union Gas).

Further, the TEC endorsed the addition of a new major measure to Community Energy Retrofit (Enbridge) and Home Reno Rebate (Union Gas).

The Committee offered input on a communication from OEB staff (May 30, 2014) requesting inclusion of an estimation of the simple payback period for all appropriate measures, and the market penetration or market share for all appropriate measures in future filings of measures as part of the Technical Reference Manual project. It was agreed that this additional work should not be incorporated into the TRM project currently underway due to the variable nature of the information in addition to the already defined scope of work of the TRM Consultant. The Committee's comments will inform discussions between the utilities and Board Staff, if applicable.

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

The Committee reviewed and prioritized the 2012 TEC-related audit recommendations for Union Gas and Enbridge.

## **5. Discussion Regarding Restrictions on Participation by TEC Members in OEB Proceedings**

The Committee discussed a memo titled “Restrictions on Participation by TEC Members in OEB Proceedings”, which was provided to the Committee members by J. Shepherd in April 2014.

The TEC discussed several topics including:

- Normal rules of confidentiality should always apply to confidential information (e.g. customer names).
- There are different categories of information (facts, opinions, and negotiating positions) that exist within TEC discussions and the treatment of each of those categories of information may differ in future proceedings. Specifically, which categories, if any, can be relayed outside of TEC meetings in future proceedings and which categories of information should remain privileged?
- When the TEC reaches consensus on an issue or project and moves forward, can that issue or topic be contested by TEC Members in future proceedings?

The utilities will consider and respond to the TEC on this topic.

Future meetings: July 16, 2014; September 10, 2014; October 8, 2014