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June 1, 2015

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Our File No. 152806

**VIA RESS, EMAIL AND COURIER**

Ontario Energy Board  
2300 Yonge Street  
27th Floor  
Toronto, Ontario  
M4P 1E4

Attention: Kirsten Walli  
Board Secretary

Dear Ms. Walli:

**Re: Union Gas Limited, Multi-Year DSM Plan (2015-2020)**  
**Board File No. EB-2015-0029**

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Please find attached BOMA's Interrogatories.

Yours truly,

**FOGLER, RUBINOFF LLP**

Thomas Brett

TB/dd

Encls.

cc: All Parties (*via email*)

**IN THE MATTER OF the Ontario Energy Board Act, 1998,  
S.O. 1998, c. 15 (Schedule B);**

**AND IN THE MATTER OF an Application by Union Gas  
Inc. pursuant to Section 36(1) of the Ontario Energy Board  
Act, 1998, S.O. 1998, for an order or orders approving its  
Demand Side Management Plan for 2015-2020**

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**INTERROGATORIES OF  
BUILDING OWNERS AND MANAGERS ASSOCIATION,  
GREATER TORONTO ("BOMA")**

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June 1, 2015

## Interrogatories

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1. Please provide an organizational chart with titles for the unit(s) responsible for the all functions associated with Demand Side Management (DSM) at Union including but not limited to: research, pre-program screening and evaluation, program design, program delivery, marketing, customer sales and service, technical services, post program audit and evaluation, as well as the units responsible for planning future gas utility infrastructure.
2. Please provide a description of the interrelationships of the functions listed in IR 1 including an outline of where the responsibility for setting and achieving the company's DSM targets reside.
3. Please describe how the customer sales and service functions are organized, particularly with respect to program delivery and implementation in the industrial, commercial and institutional sectors including key or national accounts.
4. For all Enbridge rate classes, please indicate the sector, the consumption ranges and any other differentiating elements. Please provide a listing of typical members of each rate class, the total consumption per class and the average consumption per class.
5. **Reference Exhibit A, Tab 1, page 6 of 23.** Please provide an estimate of the savings and budget had the Board's DSM Framework allowed for a \$3.00 per month impact for a typical residential customer.
6. When Union talks about pay for performance, does that mean paying the customer for performance, paying the utility for performance or both? From what jurisdictions is the

company seeking examples of such programs. Is Union coordinating its jurisdictional review with Enbridge?

7. **Reference Exhibit A, Tab 1, page 7 of 23.** At the \$2.00 impact resulting from expenditures, what is the net bill impact for participating customers? At the \$3.00 impact resulting from expenditures, what is the net bill impact for participating customers?
8. **Reference Exhibit A, Tab 1, page 7 of 23.** What are the barriers that are impeding strong collaboration of natural gas DSM programs and electric CDM programs?
9. **Reference Exhibit A, Tab 1, page 10 of 23.**

*“Union is proposing a Strategic Energy Management offering designed to increase the adoption of an energy management system to establish a baseline for existing operations and to track performance over time for continuous improvement. Incentives are available to support the implementation of a system and for performance improvements throughout the five year term. Taking a comprehensive approach in energy management through monitoring and tracking will assist customers in identifying and prioritizing further improvements and minimizing lost opportunities.”*

Why is this offering limited to industrial customers? Given it is similar to Enbridge’s Comprehensive Energy Management Program, is there any possibility to harmonize the names between the utilities?

10. **Reference Exhibit A, Tab 1, page 11 of 23.** What is Union’s definition of “remote locations?”
11. **Reference Exhibit A, Tab 1, page 14 of 23.** When Union uses the term “offer” please confirm that it doesn’t mean it will only respond to customer requests rather than promote it through appropriate channels.

12. **Reference Exhibit A, Tab 1, page 15 of 23, section i.** How will Union make use of the broader sector public data on energy consumption required by O Reg 397 in its program delivery?

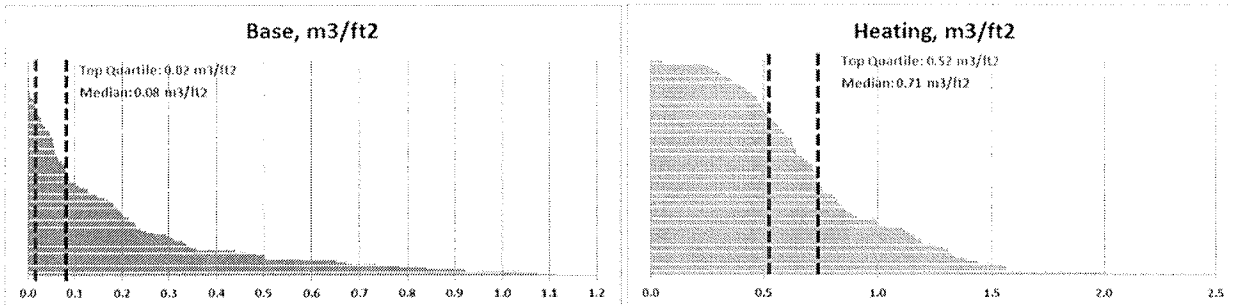
13. **Reference Exhibit A, Tab 2, page 12 of 38, Table 7 “Score Cards”** Has Union Gas considered developing score card metrics based on addressing the lowest quartile of heating load customers and moving them up to the top quartile over a 5 year period or above the median. The diagram below is from EB-2012-0451 illustrating the results of benchmarking.

**Sector: Office Buildings**

Number of buildings: 123  
 Total building area, ft2: 42,000,827

Gas usage	Savings potential, % at the attainment of	
	Median	Top Quartile
Base	65%	87%
Heating	23%	39%
Total	29%	46%

Based on 2010 data weather-normalized to Toronto. Data centres have been excluded.



14. **Reference Exhibit A, Tab 2, page 19 of 38. Regarding the Optimum Home Program,** Has Union completed or is Union aware of any studies that determined how homes built to OBC 2012 actually perform relative to the energy modelling results? Has Union completed a comparison of the actual results of a home modelled to be 20% more efficient than OBC 2012 to determine how actual results compare to the modelling results?

15. **Reference Exhibit A, Tab 2, page 28 of 38.** Does Union consider that at some time in the future, the Technical Evaluation Committee could be broadened to cover electric CDM?

**16. Reference Exhibit A, Tab 2, page 32/3 of 38.**

*“Research additionally enables the utility to convert common custom DSM projects into prescriptive offerings. In such cases, research can determine common average input assumptions based on typical equipment use and characteristics, as well as market data. This provides information on the ability to reach a broad base of customers, which in turn drives further participation. Increased participation is achieved through a more straightforward application process which typically results in a more streamlined process for customers and a more efficient evaluation process. A resulting benefit of research moving custom options towards more prescriptive program offerings is that it allows Union’s custom project resources to focus on projects which are truly unique in nature.”*

How does Union account for interactive effects when multiple prescriptive measures are used in a given project? Prescriptive incentives are based on savings per measure in an average or typical situation. Has Union done any research on the frequency with which the deemed savings are less than or more than the actual savings in a particular situation?

**17. Reference Exhibit A, Tab 2, page 33 of 38. “Stakeholder Engagement”** Please confirm if

Union is using the term stakeholders to include intervenors but is not limited to intervenors.

With respect to intervenor stakeholders, what were the annual costs for their participation in the DSM Consultative, the Audit Committee and the Technical Evaluation Committee from 2010 to 2014? Aside from the consultative meetings reference on page 33 and 34 did Union engage non intervenor stakeholders in its DSM Plan development beyond the consultative meetings listed in Appendix A? Does Union compensate non-intervenors for their participation in its stakeholder processes?

**18. Reference Exhibit A, Tab 2, page 36 of 38.** Please provide the business case for the DSM IT system changes.

19. **Reference Exhibit A, Tab 2, page 38 of 38.** *“Green Button”* Has the Ministry of Energy established the Natural Gas Green Button workshop? Please confirm if the Green Button system uses consumption data and/or billing amounts. What mobile applications have been created for Green Button in Ontario?

20. **Reference Exhibit A, Tab 2, Appendix C.** Was the ICF evaluation of Union Gas Avoided Costs dated December 18, 2014 shared with the DSM Consultative? If not, why not? How was ICF chosen to complete the study?

21. **Reference Exhibit A, Tab 2, Appendix D, page 13 of 22.** *“Intervenor Representatives”* How does Union envision that intervenor representatives will gather input from the DSM consultative as a whole and report back to the consultative as a whole? Is this a change from the current practice?

22. **Reference Exhibit A, Tab 3, page 5 of 73.**

*“Union is allocating a significant portion of the Program budgets to offerings that take a more holistic approach and therefore minimizes lost opportunities in its design. These offerings include; Home Reno Rebate, Home Weatherization, Aboriginal Conservation, Direct Install Pilot, Strategic Energy Management.”*

Why is Union not applying the holistic approach to the commercial and institutional sectors?

23. **Reference Exhibit A, Tab 3, page 5 of 73.**

*“Implement DSM programs that are evidence-based and rely on detailed customer data.”*

Given this direction from the OEB, why is Union expanding its prescription incentives which are based on deemed or estimated savings? Why do performance based programs which are

evidence based and rely on detailed customer data only represent 2% of the total program budget?

**24. Reference Exhibit A, Tab 3, page 16 of 73.**

*“Union is committed to completing an achievable potential study by June 2016, as outlined by the 13 Board in Section 1.3. of the Framework.”*

Will Union be using the traditional “Technical Potential/Economic Potential/Market Potential estimates approach or will it use the evidence based approach embodied in the evidence presented by Environment Defence in EB-2012-0451?

**25. Reference EB-2015-0049, Exhibit C, Tab 1, Schedule 1, page 110 of 160. Figure 5-8 Gas**

*Savings Achievable Potential as a Percentage of Sector Sales and Table 5-5 Gas Savings Achievable Potential as a Percentage of Sector Sales.* In Enbridge’s service territory, the achievable potential estimated for the industrial sector is 1.5% - 1.6% per year or 14.8% over the 10 year period of its potential study. Does Union expect that the achievable potential is comparable in its service territory? If Union were permitted to expand its programs in the industrial sector similarly to how it has expanded its commercial and residential programs for the 5 year plan, and not be restricted by the Board Framework limitations on its industrial sector plan, what would the annual savings be for the industrial sector in each of the years from 2015 to 2025 if the achievable potential is 1.5% as in Enbridge’s territory?

**26. Reference Exhibit A, Tab 3, page 30 of 73. “3.3 Market Transformation”.** Union appears to

abandoning market transformation programs. What is the reason for this change in approach?



27. **Reference Exhibit A, Tab 3, page 31 of 73.** “*3.4 Performance Based Scorecard*” Why has Union created a performance based scorecard separate from resource acquisition?
28. **Reference Exhibit A, Tab 3, page 33 of 73.** “*RunSmart Participants*” Why is Union limiting focusing on customers without prior DSM participation history for its RunSmart Program, particularly given the empirical evidence from the performance based conservation approach presented in evidence by Environmental Defence in EB-2012-0451 that even buildings with recent efficiency upgrade projects can benefit from the implementing the principles embedded in RunSmart?
29. **Reference Exhibit A, Tab 3, page 34 of 73.** “*Strategic Energy Management Participants*”. Why is Strategic Energy Management limited to industrial customers?
30. **Reference Exhibit A, Tab 3, page 36 of 73.** “*Table 8, Maximum DSM Incentive Allocated to Each Scorecard Prior to Inflation*”. Given that the Board Framework calls for increased focus on evidence based projects, why does Performance Based Programming only account for 1.3% of Union’s 2016 budget?
31. **Reference Exhibit A, Tab 3, page 65 of 73.** When Union talks about pay for performance, does that mean paying the customer for performance, paying the utility for performance or both? From what jurisdictions is the company seeking examples of such programs. Is Union coordinating its jurisdictional review with Enbridge?
32. **Reference Exhibit A, Tab 3, Appendix A, page 29 of 112.** “*Market Delivery of C/I Prescriptive Incentives*” Has Union considered using Product Knowledge Days which would consist of inviting customers as well as members of the delivery channel to showcase

products and case studies. Such events can be financed by the channel member and provide information to customers as well as access to credible product suppliers?

33. **Reference Exhibit A, Tab 3, Appendix A, page 37 of 112.** “*C/I Custom Offering*” Are Union’s customers engaged in Performance Based Conservation eligible for custom and prescriptive incentives for capital improvements?
34. In what ways does Enbridge collaborate with Energy Service Companies (“ESCs”) on the delivery of DSM?