

## UNDERTAKING JT1.46

### UNDERTAKING

Technical Conference TR, page 239

To provide the excerpt from the auditor report re: jurisdictions.

### RESPONSE

As requested, below is the excerpt from Enbridge's 2013 DSM Auditor's report in which the Auditor provides their rationale for supporting Enbridge's recommended free rider rate for the Run it Right offer (EB-2014-0277 DSM Clearance – Page 228).

#### **Free Rider Rate**

To date, a free rider rate has not been approved for this program. Enbridge was asked to recommend a free rider rate along with a justification for the proposed rate. Based on its own internal research, Enbridge proposed a free rider rate of 0%.

Optimal reviewed EM&V reports of other retro-commissioning gas programs. Results from eight different programs suggest that free ridership estimates were wide ranging (8-32%). Three of these calculations also included estimates of spillover, which ranged from 10 to 20%. When using either the average or median values of the free rider rate and the spillover rates, the net-to-gross calculation equals 0.96 or 96%. While it is likely that a pre/post billing analysis would inherently include short term participant spillover, Optimal still feels that spillover should be included in the overall review of Enbridge's free rider rate based on the following:

- It is possible that the program will lead to longer term participant spillover that is not currently captured in the billing analysis
- It is likely that continued program efforts will lead to non-participant spillover in the long run by building market expertise and creating more service providers and demand for retro-commissioning services

Because the average net-to-gross value is close to one, Optimal supports Enbridge's recommended free rider rate. However, Optimal recommends that additional efforts be made to better estimate free rider and spillover rates for this program.

Witnesses: R. Idenouye  
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