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MEMORANDUM

BY EMAIL

March 4, 2016

**To: Enbridge Distribution Inc.
Union Gas Limited
Technical Evaluation Committee (TEC)
Evaluation Advisory Committee (EAC)**

**Re: Transition of Technical Evaluation Committee Activities to the OEB
EB-2015-0245**

The purpose of this memorandum is to map out the transition of the current demand-side management (DSM) evaluation activities from the TEC to the OEB.

Background

As described in the OEB's August 21, 2015 letter regarding the 2015-2020 DSM evaluation process, the TEC's evaluation activities will be transitioned to the OEB under the new DSM evaluation governance structure. In that letter, the OEB directed the gas utilities and the TEC to continue working on the evaluation projects that they had initiated until the transition takes place. The current status of each of the Projects is as follows:

- 1) *Technical Reference Manual (TRM) Development*: The TEC selected two vendors to complete the TRM: Energy & Resource Solutions (ERS) and MindTouch, Inc. ERS was procured to complete the first phase of the project (development of the TRM with updated measures and input assumptions). This project is mostly completed. MindTouch was procured to complete the second phase (online platform of TRM) of the project.

- 2) *Net-to-Gross Study*: The Custom Commercial and Industrial Net-to-Gross Study will update the current net-to-gross rates used to estimate the impact of custom projects. The utilities, with the endorsement of the TEC, managed the procurement process and contracted DNV KEMA (now DNV GL) in May 2015 to undertake the study. DNV GL is in the process of developing a detailed Work Plan.
- 3) *Boiler Baseline Study*: As part of separate OEB Decisions issued in 2015 (February 26, 2015¹ and June 4, 2015²), Union and Enbridge were directed to complete a Boiler Baseline Study in 2015, with the findings incorporated in the evaluation of 2014 results. The TEC developed a study scope of work and issued a Request for Proposals (RFP) for this study in October 2015. In response to the RFP, consultants have submitted proposals to the TEC. The TEC has not proceeded with the evaluation of the proposals as it is awaiting further instructions from the OEB.
- 4) *Persistence Study*: The TEC conducted initial research into the scope of work for a persistence study in 2015. This study has not been initiated.

Transitioning to the OEB

The transition plan for each study is outlined below.

1) *Technical Reference Manual (TRM) Development*

Development of the TRM with updated measures and input assumptions is mostly completed and the TEC will continue to finalize the TRM with ERS. The management of the online portion of the TRM has been transitioned to OEB Staff, who will post the final TRM online when it is available. The utilities will continue to manage any remaining contractual obligations and payments related to the TRM.

2) *Net-to-Gross Study*

DNV GL plans to present the draft work plan for the net-to-gross study at the next TEC meeting, currently scheduled for March 10, 2016. Following input from the TEC, this

1 EB-2014-0277 – Enbridge Gas Distribution Inc.

2 EB-2014-0273 – Union Gas Limited

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study will be transitioned to OEB. The utilities will continue to manage contractual obligations and payments associated with this project. OEB Staff will assume oversight of the study and will confirm the completion of major milestones for the utilities to process payments of consultant's invoices.

Though OEB Staff will have oversight going forward for the TRM and Net-to-Gross Study as noted above, the gas utilities will incur the costs to complete these studies and therefore can seek recovery of these costs as part of the DSM program.

3) Boiler Baseline Study

This study was the result of OEB decisions for both Enbridge and Union Gas and therefore the utilities are expected to complete it. Once the proposals have been evaluated and the consultant selected for the Boiler Baseline Study, in order to transition to the new framework, input on the study will be provided to the utilities by the EAC and OEB Staff instead of the TEC.

4) Persistence Study

OEB Staff will be responsible for the procurement process and management of the Persistence Study, including management of project deliverables and contractual obligations through to completion of the study, with input from the EAC.

If you have any questions regarding the transition process, please contact Takis Plagiannakos at takis.plagiannakos@ontarioenergyboard.ca or 416-440-7680.

Yours truly,

Original Signed by

Lynne Anderson
Vice President, Applications