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March 9, 2018

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto, ON M4P 1E4

Attention: Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Ontario Sustainable Energy Association (“OSEA”)  
Board File No. EB 2017-0323  
Union Gas Limited 2015 DSM Deferral and Variance Accounts**

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Please find enclosed Ontario Sustainable Energy Association’s Interrogatories in the above-noted matter.

Yours truly,



Robert Woon

cc: Janis Wilkinson, OSEA  
Marion Fraser, Fraser & Company

Document #: 1337015

## **ONTARIO ENERGY BOARD**

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

**AND IN THE MATTER OF** the Application by Union Gas Limited to dispose of balances in certain deferral and variance accounts related to the delivery of conservation programs in 2015

### **INTERROGATORIES OF ONTARIO SUSTAINABLE ENERGY ASSOCIATION (“OSEA”)**

March 9, 2018

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#### **OSEA Interrogatory 1**

Reference: Exhibit A, Tab 1, Page 3 of 9

Preamble: Union’s concerns with the 2015 DSM EM&V process and results are detailed in Exhibit A, Tab 2 and are summarized below:

- The 2015 DSM EM&V process and results inappropriately apply the results of the Evaluation Contractor’s incomplete and ongoing commercial and industrial Custom Project NTG Study to Union’s 2015 DSM program results retroactively.
  - The 2015 DSM EM&V process lacks the collaboration, transparency, and predictability claimed by the OEB as justification for assuming control of the process
  - The 2015 DSM EM&V process is delayed and not aligned with the Scope of Work.
- a) Please outline the timetable and major events for:
- i. the 2015 evaluation and audit process completed by the Evaluation Contractor
  - ii. the evaluation and audit process for previous years when Union managed the process with participation of the Technical Evaluation Committee (TEC) and each of the company specific Evaluation Committee (EC) post 2011.
- b) Please advise what Union recommends to reduce delays seen in the 2015 EM&V process.

- c) Please advise what takeaways from the previous process, where the Technical Evaluation Committee (TEC) and company specific Evaluation Committees operated primarily on a consensus basis with intervenor representatives can be used to improve the collaboration within the EM&V process moving forward.
- d) Please list the major decisions during the EM&V process that were directed by Board staff rather than the EAC.
- e) Was Union informed whether the expert members of the EAC were informed of these directions in advance?
- f) Please describe any specific improvements in the current EM&V process compared to the Stakeholder developed process approved by the Board in the 2011 proceeding.
- g) Please outline the impacts of the delayed 2015 EM&V process on the following:
  - i. Customers and customer representatives
  - ii. Company Evaluation Staff
  - iii. Commercial and Industrial Customer representatives
  - iv. Company Program Development Staff.
- h) Please outline the impact of the lack of transparency on the following, including any differences between the process established in 2011 and the current process:
  - i. Decision making
  - ii. Participation of Union representatives on the EAC
  - iii. Participation of Expert representatives, and
  - iv. Union's ability to replicate evaluation results and understand the application of the modelling and other processes used by the Evaluation Contractor and the direction provided to subcontractors.
- i) Please describe the top three major impacts to audit results resulting from any deviation from best practices.
- j) Please describe Union's view of the process and results of the following:
  - i. Free Riders, including the validity of survey results, transparency of modelling survey comments, and assessment of customer responses.
  - ii. Spillover, including the application of deemed results from study estimates in the United States.

**OSEA Interrogatory 2**

Reference: Exhibit B, Tab 3, Page 18 of 34

Preamble:

ES7. Finding: Some measures (e.g. geothermal heat pumps, combined heat and power, and those that save district heating energy) have difficult to define baseline technologies.

Recommendation: Consider establishing a policy to define rules around energy savings calculation for fuel switching and district heating/cooling measures.

Outcome: Less evaluation risk and a better alignment between province energy efficiency goals and program implementation.

Union response: Union continues to adhere to DSM policies and guiding principles as defined in the 2015-2020 DSM Framework and Guidelines.

- a) Please provide further clarification about what in the 2015-2020 DSM Framework is Union referring to about creating rules for energy saving calculations for fuel switching and district heating/cooling measures.
- b) Does Union agree with the EC's potential outcome, and if not, why?