

SEC INTERROGATORY #7

INTERROGATORY

[B/1/3, p. 1]

Please confirm that the proposed TRM includes measures that are not cost effective. Please provide a list of all measures that are not cost-effective, or are marginally cost-effective, at current avoided costs, together with the cost-effectiveness calculations for each. Please explain why it is appropriate to include in the TRM measures that are not cost-effective.

RESPONSE

The Utilities confirm that the proposed Technical Reference Manual (“TRM”) includes measures that may not currently be cost-effective. By definition, the TRM is a technical reference document, as specified in the TRM front section, endorsed by the Technical Evaluation Committee (“TEC”) (Exhibit B, Tab 1 Schedule 3, p.1).

It should be noted that the TRM is a technical reference document and as such inclusion in the TRM does not imply that it is appropriate to include a measure in the Utilities’ portfolio in a given program year.

While there are no specific criteria used to determine measure inclusion in program offerings, the Utilities strive to address the key priorities and guiding principles outlined by the Board. These priorities and principles balance pursuing long-term energy savings, program cost-effectiveness, and available budget, while seeking broader participation from non-participants. As outlined in the Board’s current Demand Side Management (“DSM”) guidelines, the gas Utilities are afforded flexibility in deciding what programs to include in their proposed DSM plans with overall consideration for cost-effectiveness. Cost effectiveness was not a consideration as part of the TRM scope of work. In the context of the current DSM Framework, the screening of cost-effectiveness is made at the program level (i.e. Resource Acquisition) rather than the measure level. *“To recognize that all programs may not pass the TRC-Plus test, the utility should ensure its overall DSM portfolio has a TRC-Plus ratio of 1.0 or greater.”*¹ Inclusion or exclusion of a particular measure in DSM offerings is determined at the Utility’s

¹ EB-2014-0134 Filing Guidelines to the Demand Side Management Framework for Natural Gas Distributors (2015-2020), Dec 22, 2014, page 32

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discretion. It is appropriate therefore to include in a TRM, measures that may not be currently cost-effective.

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