

BOMA INTERROGATORY #4

INTERROGATORY

Ref: EB-2017-0324, Exhibit A, Tab 1, Schedule 3, Page 5 of 48

Preamble: Fourth, the NTG outcomes are not credible and Enbridge does not have confidence in them as they do not reflect best practice approaches in undertaking self-report NTG studies.

Please outline how the evaluation deviates from best practices with reference to the designation of free riders and the application of the concept of free riders to programs such as Run It Right which by application of the program rules for participants excludes free riders.

RESPONSE

While Enbridge is of the view that that the customer participation criteria for the Run It Right ("RiR") program strives to exclude free riders, it also acknowledges that no mitigation strategy is 100% effective. Enbridge knows however that similar programs in other jurisdictions have NTG studies which indicate much lower values of free ridership.

In a recent evaluation reviewing the results of an impact evaluation on a joint utility retro-commissioning program offered in partnership of ComEd, Nicor Gas, Peoples Gas and North Shore Gas, and conducted by Navigant, it was concluded that a free ridership rate of 8.6% was appropriate. This calculation was determined using a self-report survey method however with surveys uniquely tailored for Retro-Commissioning participants.¹

With regard to the approach taken to assess NTG for the RiR program, Enbridge highlights the following areas of concern with the conclusions reached by the EC:

- 1) The RiR program requires a multi-year participation on the part of the customer including:
 - An investigation agent who visits the facility to complete a site assessment to provide an energy consumption analysis and identify recommended low cost/no cost recommissioning/ operational improvement activities,

¹ Joint Utility Retro-Commissioning Program EPY6/GPY3 Evaluation Report, March 18, 2015, Roger Hill Navigant Consulting Inc., p 28.

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- Customer agreement to proceed to implement recommended improvements and provision of implementation incentives,
- Training and Support,
- Free access to an Energy Management Information System (“EMIS”) for monitoring of gas usage, and
- Monitoring of facility gas usage for 12 months for comparison to a pre-improvement baseline period.

The RiR program required the enrollment of customers in a process and includes the provision of a free site assessment (retro-commissioning study) by investigation agents, recommendations for low cost/no cost improvements, access the energy management capabilities, and ongoing technical support through the program. As such, the framing questions posed to participants in the survey instrument should have been posed uniquely from those that might have been used in identifying a customer project at a point in time. Questions should have focused on the various program factors that might have influenced the customer’s decision to participate in a retro-commissioning effort as well as efforts to ascertain prior customer consideration with undertaking or participating in activities outlined in the RiR retro-commissioning activities.

- 2) Best practice requires that NTG surveys are conducted as soon after program participation as possible. Recall bias is an issue for any self-report study, but is particularly concerning in the case of the RiR customer surveys given that some of the customers implemented improvements three+ years prior to the time they were surveyed and these customer would have registered for RiR (i.e., decided to participate in the program even previous to the three years earlier). The EC’s final report confirms the FR portion of the RiR NTG study evaluated measures implemented in 2014 (a year earlier than the NTG for the C/I custom projects) and claimed in 2015. In its initial presentation to the TEC in the planning stages of the overall NTG study, the EC had confirmed that this timeframe was too long to appropriately conduct such surveys.
- 3) Enbridge believes there are a number of assumptions in the scoring algorithm that should have undergone sensitivity analyses, a process recommended in best practice. These entails examining how the responses to the questions are translated into free ridership and NTG estimates. A sensitivity analysis would provide context around the estimated NTG values. The timing questions for instance are an example where the scoring algorithm for these questions is based on a subjective “cut-off”. The participant is asked to go back to the time of their participation decision and estimate what month in the future (out to 48 months) they might have undertaken the same or similar improvements in the

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absence of the program. This is a difficult question to answer in real time, and is made more difficult with the respondent having to recall the situation in excess of three years prior, and determining what factors would have led to their undertaking the same or similar improvement at some future point. A four year timeframe was used as a cut-off value with full attribution awarded for responses of four years or greater and only partial attribution for responses less than four years (of note, the utility does not have clarify on how the partial determinations are scored for answers between 0 and 48 months). The cut-off of four years is somewhat arbitrary and is not a consistent cut-off used across various self-report methodologies/scoring algorithms. Enbridge is of the view that asking customers to make guesses about when they might have undertaken such low cost/no cost improvements beyond one or two years is highly speculative and uncertain. Four years is a subjective inflection point. Another timeframe of 12 months or 24 months is more reasonable. The EC would have the data to estimate the NTG that would result from using cut-offs of 12 or 24 months. Given that the EC indicated that timing was the component with the most significant impact on the RiR NTG, testing how changes in the selected cut-off date affects NTG values would provide insight into the estimates and additional information on the uncertainty in the estimates not captured in the statistically derived confidence and precision levels.

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