

BOARD STAFF INTERROGATORY #19

INTERROGATORY

Reference: Exhibit B, Tab 6, Schedule 1, p. 5

Preamble:

Enbridge states: **Theme 4. Collaborative Overall stakeholder process.** In addition to transparency and review of final NTG estimates, the stakeholder processes in each state were predicated on defined, open stakeholder processes that build confidence in the NTG estimation process.

Questions:

- a) Page 5 of Navigant's report states that a key theme observed across leading jurisdictions was a "Collaborative Overall Stakeholder Process" that lead to "agreed-upon approaches for estimating NTG as well as processes for finalizing NTG estimates". Please describe who the stakeholders to this process are and if and how the collaborative process used in these jurisdictions compares to the collaborative process employed in Ontario via the EAC.
- b) Please identify the point in time when these stakeholder processes occur. I.e., please specify whether these stakeholder processes occur pre-program delivery as part of the program design process or post-program delivery as part of an after-the-fact evaluation process.
- c) Please identify the typical amount of time these jurisdictions take to complete their annual DSM portfolio evaluation process.

RESPONSE

For clarity, the passage included in the preamble above is from the *Net-to-Gross Policies: Cross-Cutting Jurisdictional Review by Navigant Consulting, Inc., and Apex Analytics, December 14, 2017*. Accordingly, the following response is from the authors of that report.

- a) Information on the composition of the Stakeholder groups involved in each state are shown below and are discussed in case studies found in the Jurisdictional Review

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report (Exhibit B, Tab 6, Schedule 1, page10). Some additional information is presented below:

- **Massachusetts.** The stakeholder process leverages the Massachusetts Energy Efficiency Advisory Council (“EEAC”). The EEAC process for NTG determinations that typically includes EEAC representatives, evaluation consultants and program administrators (“Pas”), which are typically the gas and electric utilities (Exhibit B, Tab 6, Schedule 1, page 10). For other EM&V decisions, other stakeholders may be involved, such as Massachusetts Department of Energy Resources (“DOER”) staff and customer groups (including advocates for low-income customers). Low-income customer groups are typically not involved in the NTG processes because Massachusetts set the NTG for low-income to be 1.0.

The EEAC maintains a website that documents participants, meetings, meeting notes, standing committees, and reports. The information on this multiple stakeholder group and its processes can be found at: <http://ma-eeac.org/>.

From the EEAC website:

*The Massachusetts Energy Efficiency Advisory Council (EEAC) was created by the [Green Communities Act of 2008](#), a comprehensive energy reform law. EEAC members guide the development of state- and nation-leading energy efficiency plans by the Commonwealth’s investor-owned gas and electric utilities and energy providers. The Council’s [priorities](#) are to develop, implement, evaluate, and monitor the implementation of these plans.*

*The Council is also charged with developing a long-term vision for the Commonwealth’s energy future. In recommending and overseeing specific studies and research, the Council works to achieve energy efficiency savings and to maximize the economic and environmental benefits of energy efficiency.*

*Council members have several responsibilities: participate regularly in Council meetings; contribute their knowledge and expertise to the best of their abilities; participate in Council processes and discussions, including any committee processes set up by the Council; and vote, according to their best judgment, in such a way as to enable the Commonwealth to achieve the efficiency mandates of the Green Communities Act. The full Council typically conducts [meetings](#) once per month in the Greater Boston area. The [Executive Committee](#) of the EEAC holds separate meetings, also monthly in the Greater Boston area. [Meeting minutes and presentations](#) are made available to the public.*

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- **Illinois.** The Illinois Stakeholder Advisory Group (SAG) oversees public meetings that include multiple types of stakeholders. The participants, subcommittees, reports, and meeting minutes, along with a considerable amount of information, can be found at the SAG website: <http://www.ilsag.info/meeting-participants.htm>

Background on the Illinois SAG (from website):

*The Stakeholder group's responsibilities include, but are not limited to: reviewing final program designs; establishing agreed-upon performance metrics for measuring portfolio and program performance; reviewing Plan progress against metrics and against statutory goals; reviewing program additions or discontinuations; reviewing new proposed programs for the next program cycle; and reviewing program budget shifts between programs where the change is more than 20% (ComEd Final Order, [07-0540 at 32](#); Ameren Final Order, [07-0539 at 24](#)).*

*In the Final Order of the second three-year electric energy efficiency plans and first three-year gas plans, the assigned additional duties to the IL EE SAG included the development of a Technical Reference Manual for approval by the ICC (e.g., ComEd Final Order, [10-0570 at 59](#); Policy Division Staff Report, [12-0528](#)).*

*In January 2014, the ICC issued final orders in the third three-year electric plans, and further expanded SAG duties to include, among other issues, reviewing new program designs, further discussing issues that remained unresolved in litigation, and the creation of an Illinois Energy Efficiency Policy Manual (e.g., [Ameren IL Final Order, 13-0498](#); [ComEd Final Order, 13-0495](#); [DCEO Final Order, 13-0499](#)). Final Orders in the second three-year gas plans were issued in May 2014 and include similar expansion of SAG issues (e.g., [Nicor Gas Final Order, 13-0549](#); [Peoples Gas-North Shore Gas Final Order, 13-0550](#)).*

- **California.** The CPUC leads the research but has a process to collect public input at key points in the evaluation process (Exhibit B, Tab 6, Schedule 1, page 18). Table 3 of the Jurisdictional Review report (Exhibit B, Tab 6, Schedule 1) summarizes the stakeholder process (see below):

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General Expectation	Process to Meet Expectation
Specify what will be evaluated (for purposes of the incentive payment and generally)	<ul style="list-style-type: none"> <li>• Publish an annual master evaluation plan (CPUC and investor-owned utility [IOU] staff)</li> <li>• Identify evaluation priorities for specific sectors and estimated budgets</li> <li>• Solicit public input on high level priorities</li> </ul>
Publicly vet evaluation plans	<ul style="list-style-type: none"> <li>• Evaluation plans for CPUC and IOUs posted for public comment</li> <li>• Most study plans also have a webinar to discuss evaluation priorities and methods</li> </ul>
Publicly vet results for comment prior to finalization	<ul style="list-style-type: none"> <li>• Studies are shared in draft form for public comment</li> <li>• Deviations from the methods in the evaluation plan are highlighted</li> <li>• Implications of results (for incentive payment) or for DEER updates are highlighted</li> </ul>
(extra step) Response to recommendations	<ul style="list-style-type: none"> <li>• Program implementers are required to respond in writing as to what actions they will take on the recommendations in the report</li> </ul>

Source: Section 5.4 Energy Division IOU Collaboration in the Master Evaluation Plan

More detail is provided by the CPUC in Section 5.4 of *2013-2016 Energy Division & Program Administrator Energy Efficiency Evaluation, Measurement and Verification Plan Version 7*, which outlines key aspects of the collaborative process between the Energy Division and utilities, including:

- Requires Energy Division (“ED”) and the California Investor Owned Utility (“IOU”) staff to conduct EM&V projects in a transparent manner, including open, truthful, and timely communication; regular meetings to provide updates on projects; inclusion of ED and IOUs in all stages of all projects; sharing of data as it becomes available; and tracking of all projects in an easily accessible tracking system.
- Requires ED and the IOUs to attempt to resolve disagreements informally and collaborate where possible before seeking formal dispute resolution.
- Requires ED and the IOUs to design EM&V projects to be streamlined, to comply with Commission mandated schedules, and to avoid duplication of effort.
- Requires ED and the IOUs to follow professional standards for ethics and technical best practices.
- Grants ED and the IOUs flexibility to plan and implement EM&V in phases, while continuously optimizing the EM&V portfolio and emphasizing the flow of EM&V results to program managers for program improvements.

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- Requires avoiding unnecessarily duplicative data collection and analysis and identifying ways in which EM&V can be organized and implemented to meet multiple needs in a cost-effective manner.
  - Affirmation of ED's authority to review, approve and oversee IOU EM&V activities.
  - Clarification that ED may conduct some formative evaluations within their portfolio of EM&V projects.
  - A requirement that the IOUs collaborate with ED in the development of non-DEER (**D**atabase for **E**nergy **E**fficiency **R**esources) savings work papers.
  - A stakeholder input process that supersedes the process adopted in D.05-01-055.
  - Delegation to ED to determine which projects should be subject to the stakeholder input process.
  - A dispute resolution process that involves mediation by the ALJ Division.
  - A requirement that all EM&V-related projects, regardless of funding source, adhere to the same policies and procedures as EM&V funded projects.
  - Allows ED to use program implementers as a vehicle for collecting EM&V data.
- b) The points in time when these stakeholder processes occur have common elements across the three states. In all three states, there are reviews primarily at two points in time: development of the evaluation methods and also when finalizing the NTG results, as described below.
- **Massachusetts:** as described in the report (Exhibit B, Tab 6, Schedule 1, page 11), Massachusetts has developed a common practice set of NTG approaches for C&I programs that have undergone EEAC review. On Exhibit B, Tab 6, Schedule 1, page 10, the report describes the EEAC process to review evaluation results and develops a consensus decision for prospective NTG values.
  - **Illinois:** as described on Exhibit B, Tab 6, Schedule 1, page 24, the SAG has an annual process to update the NTG values for application in the TRM and NTG methods defined in the TRM.
  - **California:** as described in Exhibit B, Tab 6, Schedule 1, page 19, California has a working group that developed a consistent set of questions used for determining NTG. Additionally, the CPUC has a four-step process (Exhibit B, Tab 6, Schedule 1, page 18, Table 3) for gaining stakeholder input, as follows:

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- I. Specify what will be evaluated
- II. Publicly vet evaluation plans
- III. Publicly vet results for comment
- IV. Respond to recommendations

c) As noted above, Illinois has an annual process to review evaluation results and determine prospective results. Massachusetts operates on a three-year program cycle and, for the most recent two cycles, has determined prospective NTG values approximate 6 to 8 months prior to the start of the next program cycle. More detailed timelines for each of the three case study jurisdictions have not been developed with respect to the time allotted for planning a specific evaluation, the length of time an evaluation is in the field, and the time taken to finalize results with stakeholder participation. These evaluation timelines vary by jurisdiction, by program year, and by the type of evaluation effort, i.e., reviewing ongoing evaluations versus constructing a common evaluation framework for future. Also, not all programs are evaluated at the same level of rigour each year.

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