

BOARD STAFF INTERROGATORY #23

INTERROGATORY

Reference: Exhibit A, Tab 1, Schedule 3, p. 31 and Exhibit B, Tab 6, Schedule 1, p. 9

Preamble:

Enbridge states: The process undertaken to finalize NTG estimates to be used in incentive calculations, establishing targets and in informing program design involved much more than simply accepting the results of a study. In all states, stakeholders worked together to review, challenge and modify initial estimates from EM&V studies, for example aiming to arrive at a consensus value considering relevant issues raised and factors to be considered. All three states had an established collaborative, transparent stakeholder process which aims to seek agreement among stakeholders as part of the finalization of NTG estimates, particularly in the case of self-report survey methods.”

Navigant's report states: In practice, this means that NTG studies are completed approximately 6 months prior to the start of the plan period and, therefore, must be planned and studied 1-2 years prior to the plan period. For example, for the 2019-2021 plan, NTG studies must be completed by mid-2018 and are being planned and implemented in 2017 and early 2018.

Questions:

- a) Please confirm whether or not Massachusetts' newly adopted policy of prospective NTG ratios has been subjected to regulatory review. If no, when will the policy be assessed by the regulator? If yes, what were the results?
- b) Please comment on the extent to which the program planning and design process employed by the jurisdictions studied (Massachusetts, California, Illinois) compares to the process used by Enbridge. Specifically, please discuss the extent the named jurisdictions include stakeholders in program development, and compare it to how Enbridge develops their programs.

Witnesses: D. Bullock
S. Dimetrosky
L. Gage
D. Johnson
D. Violette

- i. Please confirm at what stage of the program life-cycle the collaborative efforts referenced by Enbridge at Exhibit A, Tab 1, Schedule 3, p. 31 are undertaken by these jurisdictions (e.g., pre-program delivery, post-program delivery, etc.)
- ii. Please identify the stakeholders involved in this consultative process.
- iii. Please describe the role of the utilities in the process.

RESPONSE

- a) Yes. The Massachusetts Department of Public Utilities (“MA DPU”) issued “Order on Program Net Savings and Environmental Compliance Costs” D.P.U. 11-120-A Order on August 10, 2012, addressing two issues related to program net savings: (1) alternate methods to determine program net savings; and (2) the prospective or retrospective application of evaluation study results. This order approved the use of net savings on a prospective basis.

D.P.U. 11-120- A, Order on Program Net Savings and Environmental Compliance Costs, Massachusetts policy on use of prospective NTG values was approved by the DPU in Order 11-120-A (dated August 10, 2012) and reflects current policy in the state.

- b) i-iii)

The response to Board Staff Interrogatory #19, found at Exhibit I.EGDI.STAFF.19 also addresses the role of the collaborative in program design and evaluation. With respect to evaluation, there are reviews primarily at two points in time: 1) in the development of the evaluation approaches and 2) in the finalization of the NTG results.

- **Massachusetts:** as it is described on page 11 of Exhibit B, Tab 6, Schedule 1, Massachusetts has developed a common practice of NTG approaches, which has undergone EEAC review. On page 10 of Exhibit B, Tab 6, Schedule 1, the report describes the EEAC process to review evaluation results and develops a consensus decision for prospective NTG values.
- **Illinois:** as it is described on page 24 of Exhibit, Tab 6, Schedule 1, the SAG has an annual process to update the NTG values for application in the TRM and NTG methods defined in the TRM.

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- **California:** as it is described on page 19 of Exhibit B, Tab 6, Schedule 1, 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:
 - Specify what will be evaluated
 - Publicly vet evaluation plans
 - Publicly vet results for comment
 - Respond to recommendations

As defined in each case study of the report, the following stakeholders are involved in the process:

- **Massachusetts:** The state of Massachusetts leverages the EEAC process that includes multiple stakeholders, including DOER, EEAC consultants, and PAs (Exhibit B, Tab 6, Schedule 1, page 10).
- **Illinois:** In Illinois, the SAG oversees public meetings that include multiple types of stakeholders.
- **California:** In 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).

In all states, utilities are included in the stakeholder process. The utilities do not lead the effort in any of these states.

Enbridge: Throughout 2014, Enbridge engaged intervenors, customers, channel partners, and delivery agents, including seven program design roundtables, in preparation for the 2015 program year. Enbridge spent a substantial amount of time with intervenors pursuing a negotiated Settlement Agreement for 2015 budgets, targets, and metrics. Nearly a dozen plenary and subgroup sessions were held to discuss 2015 budgets and targets that reflected program historical achievements and best available information.

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However, the DSM Multi-Year Framework was released December 22, 2014, approximately one week prior to the start of the 2015 program year. The Board directed that the gas utilities must file their respective Multi-Year DSM Plans by April 1, 2015, thereby providing insufficient time to negotiate and finalize a Settlement Agreement with intervenors. To ensure the gas utilities and ratepayers had stability and certainty throughout the 2015 program year, the Board directed each utility to forgo a Settlement Agreement and instead rollover 2014 program parameters into 2015.

Due to the Board directed “rollover” of 2015 budgets and targets, Enbridge did not undertake a consultative program development process for 2015.

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