



## Interrogatories of Commission Staff

**TO:** Prince Edward Island Energy Corporation  
**FROM:** Cheryl Mosher, Senior Financial Advisor  
**DATE:** April 6, 2022  
**RE:** Electricity Efficiency & Conservation Plan (2022/2023 to 2024/2025)  
**DOCKET:** UE41401

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**The Island Regulatory and Appeals Commission (the “Commission”), in assessing the reasonableness of the Electricity Efficiency & Conservation Plan 2022/2023 to 2024/2025 submitted by the Prince Edward Island Energy Corporation (“PEIEC”), requests responses to the following interrogatories:**

1. With respect to the over-collection identified in the current EE&C Plan, does PEIEC anticipate any significant changes to the calculation of the over-collection since filing the Application?
2. The current EE&C Plan has been in effect for approximately four years (2018/2019 to 2021/2022). Has the current Plan achieved its intended purpose of reducing electricity consumption in the Province of Prince Edward Island? Please provide all supporting data, calculations and key assumptions.
3. In accordance with section 16(5.1)(b) of the *Electric Power Act*, the Commission must be satisfied that the measures contained in the proposed Plan are reasonably likely, on implementation, to achieve the results forecast in the Plan. PEIEC has advised that the current Plan has not achieved the forecast results, yet is forecasting to achieve greater net electricity and net demand savings in the proposed Plan.
  - a. Please explain why PEIEC’s forecast results have increased?
  - b. What changes does PEIEC intend to implement to ensure it is more likely to achieve the forecast results in the proposed Plan?
  - c. How likely is PEIEC to achieve the results forecast in the proposed Plan?
4. In accordance with section 16(5.1)(c)(i) of the *Electric Power Act*, the Commission must be satisfied that the proposed Plan contains a reasonable estimate of the financial costs of implementing the Plan for each utility and its customers. PEIEC has advised that in the current Plan, it has over-collected \$2.01 million from utility customers due, in part, to

overestimating program costs and program participation. PEIEC is now seeking approval to increase the financial contribution from utility customers as part of the proposed Plan.

- a. Please provide a detailed analysis and thorough explanation as to why \$2.01 million was over-collected from utility customers. Provide all supporting calculations and workbooks.
  - b. What changes has PEIEC made to its forecasts, including forecast program costs and program participation, in determining the financial contribution required from utility customers in the proposed Plan?
  - c. Please explain why the financial contribution from utility customers in the proposed Plan is reasonable. Provide all supporting documentation, workbooks and key assumptions.
5. In accordance with section 16(5.1)(c)(ii) of the *Electric Power Act*, the Commission must be satisfied that the proposed Plan contains a reasonable estimate of the financial benefits of the proposed Plan for each utility and its customers.
  - a. What are the financial benefits of the proposed Plan for Maritime Electric Company, Limited (“MECL”), Summerside Electric and their respective customers?
  - b. Please provide a detailed analysis of how the financial benefits were calculated by PEIEC, complete with all supporting documentation, workbooks and key assumptions.
6. PEIEC has screened for cost-effectiveness using both the Total Resource Cost (“TRC”) test and the Program Administrator Cost (“PAC”) test. However, PEIEC proposes to use the PAC test as the primary test for cost-effectiveness.
  - a. Please explain why it is appropriate to use the PAC test to screen for cost-effectiveness. According to PEIEC, the PAC test does not quantify all costs and benefits for the utility and customers, and is used as the primary cost-effective test in only two other Canadian jurisdictions. All other Canadian jurisdictions use the TRC test as the primary test for cost-effectiveness.
  - b. There are a number of programs proposed by PEIEC that do not meet the PAC test and/or the TRC test. Please provide justification for these programs.
7. On March 31, 2022, MECL submitted comments with respect to the proposed Plan. In its comments, MECL states that time-of-use (“TOU”) rates are not currently available due to the need for Advanced Metering Infrastructure (“AMI”) and a billing or customer information system (“CIS”) compatible with AMI. If MECL obtains Commission approval for AMI and CIS, MECL forecasts a potential implementation timeline of approximately 36 months from the date of approval. As a result, TOU rates may not be available to MECL customers during the term of the proposed Plan.
  - a. Are there programs that will not be available to MECL’s customers as a result?

- b. If so, will MECL customers still be required to pay for these programs? Please explain and provide justification.
    - c. MECL has expressed concern that its customers may not be able to fully participate in the Demand Response Programs, but will be required to partially fund the Programs. Please comment and explain.
8. In its response to questions from MECL, PEIEC stated that it has not determined the level of investment in infrastructure and human resources that is required by the utilities, and PEIEC has not included the utilities' costs in the Demand Response Program budget.
  - a. Did PEIEC include utility costs in its cost-effectiveness screening? Please explain.
  - b. If PEIEC did not include utility costs in its cost-effectiveness screening, what impact does their inclusion have on the results of the PAC and TRC tests calculated by PEIEC? Please provide all supporting calculations and key assumptions.
9. In its comments of March 31, 2022, MECL suggests that the current rate rider remain in effect until MECL's next General Rate Application, to limit the number of customer rate adjustments. As part of the GRA, MECL proposes to file an update on the over-collection amount and a calculation of the new rate rider required to collect the approved funding amount.
  - a. Does PEIEC agree with this proposal? Please explain.
10. As part of its review of the current EE&C Plan, Synapse Energy Economics, Inc. ("Synapse") recommended that the energy efficiency budgets should be allocated proportionately across residential and business sectors based on sales from each sector. PEIEC agreed with this recommendation.
  - a. Are the energy efficiency budgets in the proposed Plan allocated proportionately across residential and business sectors based on sales from each sector? Please explain and provide supporting calculations and key assumptions.
11. In Commission Order UE19-03 approving the current EE&C Plan, the Commission expressed concern about the lack of programs aimed at reducing peak load demand. In the proposed Plan, PEIEC has included certain Demand Response Programs and included forecast demand response savings from those programs.
  - a. What is the net impact on peak demand of the entire proposed Plan (not limited to the Demand Response Programs)?
  - b. In comments submitted by Roger King dated March 25, 2022, Mr. King expresses concerns about the Heat Pump Program and its impact on peak demand. Mr. King submits that the heat pump peak load demand increase is significant, and is almost three times the EE&C program savings. Does PEIEC agree with this statement? Please explain.

- c. Mr. King also states that the continued deployment of heat pumps suggests that the net potential increase in the annual peak load demand could be in excess of 10% (36MW) by 2025. Does PEIEC agree with this statement? Please explain.
12. Please explain how PEIEC determined that 20% of the total plan costs are appropriate for utility customers to contribute.
13. Are certain EE&C programs funded solely by utility customers, while other programs are funded by Government? If yes, please identify which programs are funded solely by utility customers and why.
14. The proposed Plan states that federal funding beyond the 2022/2023 year has not been committed.
  - a. Is there a plan for maintaining the programs if federal funding does not materialize or ceases during the term of the proposed Plan?
  - b. What, if any, impact will a lack of federal funding have on the proposed Plan?
  - c. If the federal funding does not materialize, will PEIEC be seeking approval to recover all or part of the shortfall from utility customers?
15. A number of the proposed programs are available to some – but not all – utility customers, such as low-income or commercial customers. Will all utility customers be required to fund these programs, even though they are may not be eligible for the programs? Please explain and provide justification.
16. For each of the programs included in the proposed Plan, please answer the following:
  - a. How did PEIEC develop its cost estimates for each program?
  - b. Please provide all key assumptions used to develop cost estimates for each program. Please also provide all key reports, documents or workpapers used to develop the key cost assumptions.
  - c. How did PEIEC develop its savings estimates for each program?
  - d. Please provide all key assumptions used to develop savings estimates for each program. Please also provide all key reports, documents or workpapers used to develop the key savings assumptions.
17. Please provide the Service Delivery Agreement between PEIEC and the City of Summerside (Summerside Electric).
18. Please provide the estimated rate impact of the proposed Plan on utility customers of both Summerside Electric and MECL.

19. In the Enabling Strategies identified in the Application, PEIEC proposes to increase its spending to 10.75%, which is the average percentage of funds the other Atlantic provinces spend on Enabling Strategies.
  - a. Please explain why this 10.75% average is the appropriate benchmark for spending, versus calculating PEIEC's own budget based on specific enabling strategies planned going forward.
  - b. Do funds from utility customers contribute to Enabling Strategies? If yes, why? Please explain the benefit to utility customers.
20. Please explain further how Demand Response activities are rated for effectiveness.
21. Please provide a comparison of forecast to actual net electricity savings, net demand savings and lifetime energy savings, broken down by program, for each year from 2018/2019 to 2021/2022. If a program has not performed as anticipated, please explain why.

**Additional interrogatories may follow.**



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