

UNDERTAKING J4.2

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TR 4, p.42

To provide the breakdown of gas savings by end use for 2018, using the draft 2016 and '17 DSM results for commercial and industrial DSM programs, comparable to Undertaking J2.7

RESPONSE

The table on the following page provides Enbridge's 2018 DSM natural gas savings forecast for the commercial and industrial sectors broken down based on the MACC end use categories from Table 1, page 11 of MACC report¹. The percentage breakdown of savings in Column 2 is based on Enbridge's 2016 unaudited results.

The 2018 forecast DSM savings of 60 million m³ for the commercial and industrial sectors is taken from the Interrogatory Response provided to GEC #7 found at Exhibit I.EGDI.GEC.7 with the savings volumes for Rate 1 residential customers removed.² This number is used together with the percentage breakdown in Column 2 to create the 2018 volume forecast per end use category in Column 3.

As identified as a potential issue in the Oral Hearing, the approach Enbridge uses to categorize results as part of its DSM management process does not line up well with the end use categories in the MACC. As such, the company has attempted to assign results to the categories of the MACC on a best efforts basis. As an example, the company has no category that matches "Commercial Systems". If a customer were to make system improvements to their space heating system, this would be captured under the Category "Space Heating".

¹ Marginal Abatement Cost Curve of Natural Gas Utilities' Cap and Trade Activities (EB-2016-0359)

² EB-2017-0224, Exhibit I, 1.EGDI.GEC.7, page 1 of 1

MACC End Use Category	End-use breakdown from Enbridge's 2016 unaudited results (%)	Enbridge's 2018 Forecast DSM Savings (million m³)
Industrial Gas Turbine	0	0
Industrial Steam Turbine	0	0
Industrial HVAC	13.8	8.3
Industrial Direct Heating	20.5	12.3
Industrial Steam Hot Water System	6.7	4
Commercial Food Service	2	1.2
Commercial Systems	0	0
Commercial Service Water Heating	4.1	2.5
Commercial Space Heating	52.9	31.7
Commercial Other	0	0
Grand Total	100%	60