

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe (PP)

Interrogatory

Issue 18

Question(s):

- a) Once there is clarity on direction for the 2023-2027 DSM Plan and related Framework, is there value in Enbridge to take action in advance of January 1, 2023, including working with industry partners and soft-launching program initiatives that are not currently in the 2022 DSM plan? If not, why not?
- b) Does Enbridge already have flexibility in its OEB approved 2022 DSM budget to initiate preparation or soft-launch of 2023 incremental program activities or would incremental funding be required for 2022?

Response:

a - b)

Enbridge Gas notes there are a number of outstanding issues that complicate any response to this question. Most notably the Company does not have an indication of the total budget envelope and that some issues, such as amortization of the DSM budgets are currently still under review, which the Company has noted may result in significant updates to the proposed DSM Plan should the OEB decision be different than what has been proposed.

However, in order to try to respond, the Company notes the following items, which assume the OEB approves a DSM Framework and DSM Plan that is not fundamentally or structurally different and with overall budgets and distribution to the sectors that is similar to that which was originally proposed. If this assumption is not the case, then the Company would need to examine the ultimate decision before being able to respond appropriately.

Enbridge Gas does believe there is value in taking actions in advance of the period in order to allow for the best outcomes for both ratepayers and the Company. Enbridge Gas notes that the OEB specifically declined to approve the 2022 DSM activities, in this proceeding and instead ordered a rollover of the 2021 DSM plans into 2022. This gives a clear indication that net new or incremental program activities should not be initiated until after there is a final decision issued by the OEB. The Company also notes that the OEB has already set budgets for 2022 and believes the 2022 budgetary level is no

longer an issue in this proceeding. Given that the final OEB decision on the proposed DSM Plan is expected by August 2022, there simply would not be enough time for any material increase in 2022 budget/spending as a purely practical matter.

Enbridge Gas notes that a significant portion of the proposed program portfolio for 2023 consists of fully integrated versions of existing programming. The 2015-2020 Framework and legacy utility DSM Plans have reasonable provisions that offer flexibility to operate and can accommodate continuity planning for these programs within the budgetary boundaries afforded by the OEB approval for 2022. Enbridge Gas notes that 2023, the proposed base year of the term, has a material budget increase from 2022 approved budgetary levels, and includes a number of new programs and also incremental resources that are required to be in place in order to achieve the performance levels and targets being proposed. Assuming that a final decision by the OEB meets the requested date of August 2022, Enbridge Gas believes that having clear guidance from the OEB on the transitional elements from historical framework and DSM Plans to a new framework and DSM Plan is crucial to support delivery of the goals and objectives for the term.

This should include specific guidance on incremental budgetary amounts, if any, that can be utilized in 2022 to support results for the 2023-2027 term, presumably through accessing of the DSMVA for this purpose. This should also include clear indication of allowable usage of the 2022 budget envelope net new or incremental program activities. Specifically, once approved, the OEB may wish to signal that existing 2022 budgets can be utilized to ramp up the Building Beyond Code program, since some of the existing new construction programming will no longer be offered, thus transitioning of the existing budget could provide continuity of support to the building community. Similarly, once approved, the Low Carbon Transition program would benefit from some budgetary allowance to ramp up the program activities contemplated.

The Company notes that ramp up activities would not be expected to have a large impact on budgets since there would only be 4 months to both plan and execute any activities. Additionally, budget may be available to be transferred from activities that are already wound down or in the process of being wound down, so any impacts on ratepayers would likely be small. Enbridge Gas requests that the OEB be explicit in the decision on expectations for 2022, as clear expectations will allow for a more seamless 2022 DSM clearance proceeding.