

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Interrogatory

Issue 2

Reference:

Exhibit B, Tab 1, Schedule 1, page 2

Question(s):

Reference is made to the joint letter from the Ministry of Energy and the Ministry of Environment, Conservation and Parks to the OEB confirming the government's continuing support for gas utility delivered natural gas conservation programs, acknowledging their important role in helping to achieve provincial greenhouse gas emissions. Please indicate the extent to which EGI has met with these two Ministries, specifically with respect to the proposed framework and plan. Please provide all correspondence EGI has had with the government of Ontario regarding the proposed framework and proposed plan. Please include all correspondence EGI has had with the government of Ontario regarding EGI's role in reducing greenhouse gas emissions.

Response:

Beyond DSM, Enbridge Gas regularly engages with all levels of government about opportunities to support low carbon energy solutions. These engagements are broadly focused on natural gas innovations that could help Ontario decarbonize including the use of renewable natural gas, hydrogen and carbon capture, utilization and storage. Our positions are well documented through, as an example, Enbridge's Sustainability Report¹ or through publicly available submissions to the Government of Ontario's environmental registry. Relevant examples would include submissions on the development of Ontario's hydrogen strategy and the review of the long-term energy planning process. The Company does not believe adding voluminous materials to the record will be helpful to the OEB or Interested Parties, nor are they relevant to the issues in this proceeding.

The following list captures the relevant meetings and communications that Enbridge Gas held with either the Ministry of Energy, Northern Development and Mines

¹ Enbridge Inc., Bridge to the future – 2020 Sustainability Report (2020). [Enbridge 2020 Sustainability Report](#)

("MENDM") or the Ministry of Environment, Conservation and Parks ("MECP") regarding the DSM Framework consultation and/or DSM Plans.

- July 24, 2019: Meeting with MENDM and MECP, presentation materials included in Attachment 1.
- June 22, 2020: Meeting with MENDM and MECP, presentation materials included in Attachment 2.
- July 31, 2020: Meeting with MECP, presentation materials included in Attachment 3.
- May 10, 2021: Email to MENDM with brief on DSM Plan application. Attachment 4.
- August 5, 2021: Meeting with MENDM based on email request for briefing, presentation materials and email included Attachment 5.
- October 15, 2021: Email on potential bill impacts to MENDM included in Attachment 6.
- November 12, 2020: Email to MENDM with attachment to brief on overview of natural gas conservation and next steps included in Attachment 7.

Natural Gas Conservation in Ontario

Helping Deliver the Made in Ontario Environment Plan

Agenda



- Post-2020 DSM Framework Consultations
 - Process and status
- Made in Ontario Environment Plan
 - Strong signal to increase the cost-effective conservation of natural gas to help reduce emissions and lower energy bills
 - Varying interpretations for DSM program emissions targets
- Potential Impacts, Next Steps
 - Minimizing potential for regulatory delays, customer impacts

Post-2020 Energy Conservation

DSM framework consultation (OEB EB-2019-0003)



Phase 1:

- Stakeholder Meeting June 13th
- Written submissions June 27th on three specific issues:
 - **Principles:** Do the guiding principles from the 2015-2020 DSM Framework remain appropriate?
 - **Goals and objectives:** What should be the primary goals & objectives of the post-2020 DSM Framework?
 - **Scope:** Should the OEB undertake major revisions to the 2015-2020 DSM Framework or focus on specific updates that are more minor in nature?

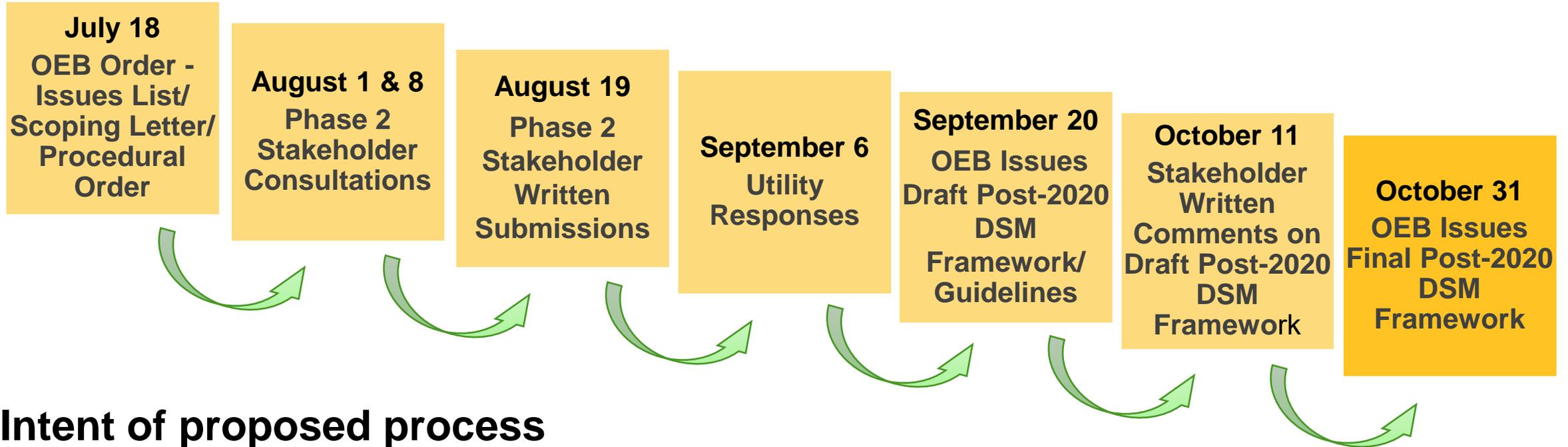
Phase 2:

- Awaiting OEB procedural direction



Post-2020 Energy Conservation

Enbridge's Proposed Path Forward in Written Comments



Intent of proposed process

- Provide appropriate consultation on key issues balancing large level of intervention
 - Key consideration of any framework review is budgets/targets
- Allow OEB time to set panel given reorganization process
 - Panel need not be named until Fall timeframe for review and decision
- Small timeline variation from proposed still allows for continuity of programming in 2021

Stakeholder Intervention

Large and varied interest in the DSM framework



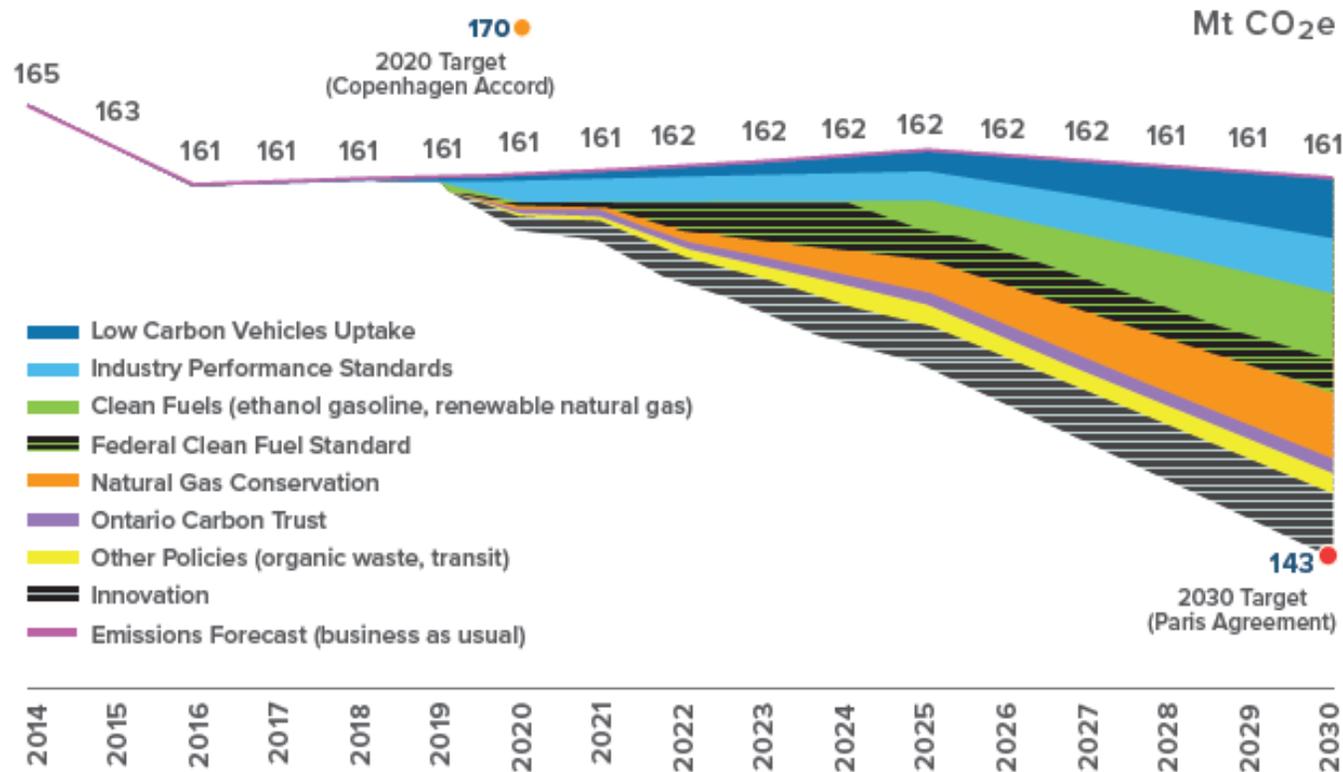
Proceeding	Post 2020 DSM Framework (EB2019-003)	MAADs (Amalgamation of EGD and Union)	Rate Setting Mechanism (Amalgamation of EGD and Union)	2019 Rates
Total Intervenors	28	22	21	19
Intervenors with Cost Awards	18	12	12	13

Made in Ontario Environment Plan

Explicit support for Utilities' gas conservation programs



Path to Meeting Ontario's 2030 Emission Reduction Target



“The Natural Gas Conservation action reflects programs that are well established in Ontario to conserve energy and save people money. ***This case assumes a gradual expansion of programs delivered by utilities***, which would be subject to discussions with the Ontario Energy Board.”
(emphasis added)

➤ Reduction from baseline shows “Natural Gas Conservation” as one category/wedge and no other category makes mention of utilities gas conservation programs

“The chart above shows where we expect Ontario’s emissions to be ***if we take no action*** (161 megatonnes) compared to where we expect our emissions to go if we take actions in specific sectors.”
(emphasis added)

Made in Ontario Environment Plan



Multiple Interpretations have been made from same document

- Environmental Defence:
 - “The Ontario Government is planning to achieve substantial incremental emissions reductions and natural gas savings through expanded natural gas DSM programs from 2019 to 2030.....**these expanded programs and incremental savings are planned to begin in 2019** and 2020 (see excerpt from the Environment Plan”)

- Environmental Commissioner Ontario (2019 Energy Conservation Progress Report, section 2.3.3)
 - “..... The forecast emissions reductions from expanding natural gas conservation **begin in 2021**,.....

Made in Ontario Environment Plan



Multiple Interpretations have been made from same document

- Environmental Commissioner Ontario (2019 Energy Conservation Progress Report, section 2.3.3)
 - “.. MECP advises that the estimate of a **3.2 Mt CO₂e emissions reduction from natural gas conservation programs by 2030 is the difference between the “unconstrained” and “constrained” lines** in the OEB’s Achievable Potential Study.”
 - “....the draft Environmental Plan **are incremental** to what would be achieved by existing gas conservation programs continuing at their current level of spending.”
 - OEB study estimated that the additional cost under an unconstrained scenario of this extra 3.2 Mt CO₂e of reductions **would be about \$440-\$600 million/year, a fourfold increase from current annual spending levels for natural gas conservation.**”

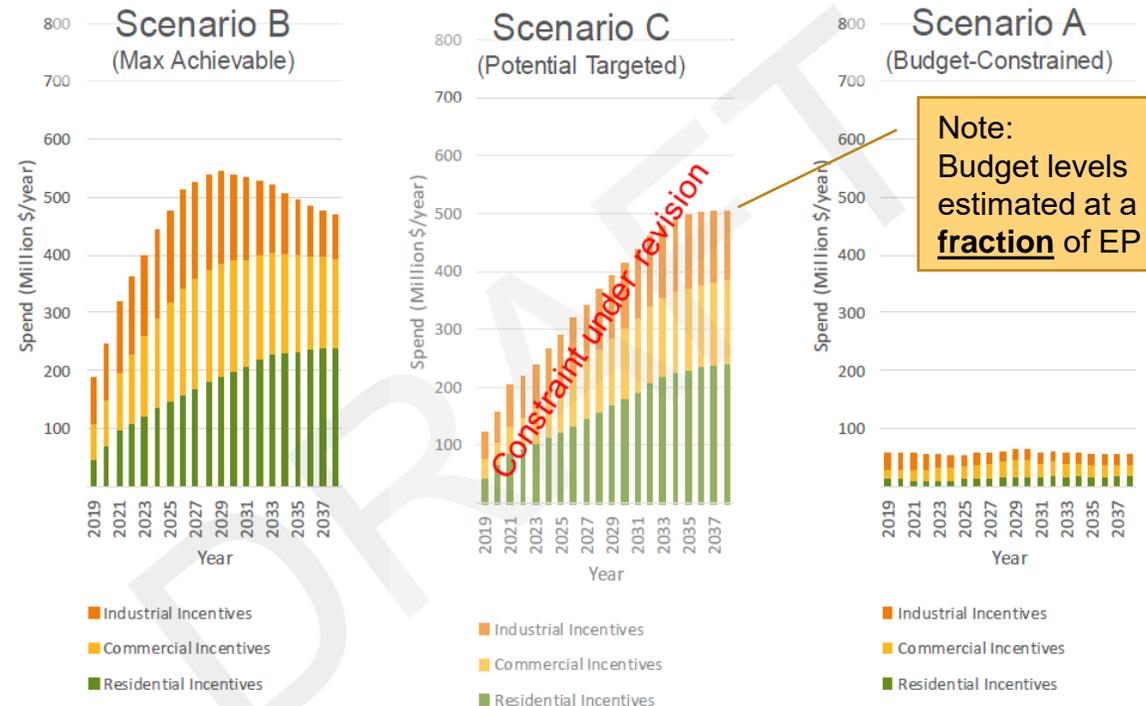
July APS Project Advisory Group Meeting

Scenario C – Aligned with Made in Ontario Environment Plan



- Original APS scope was to have scenario aligned with Environment Plan (“EP”)
- Project team has modified scope as analysis indicated budget requirements were higher than achievable potential [note: 25% and 50% of EP was also considered]
- Utilities questioned assumption of Environment Plan being a “net” number
- Project team confirmed after discussion with MECP that the Environment Plan is a “net” number

TASK 07: ACHIEVABLE POTENTIAL ALL SECTORS' POTENTIAL – OEB BUDGETS



NB: Charts include only incentive budgets. Admin budgets forthcoming.

Potential Impacts



- OEB regulatory inefficiency with a large number of parties
- Risk of timing delays may impact delivery of conservation programs
- Residential and business customers potentially delaying investments in conservation due to uncertainty of programming
- Regulatory outcomes may not be aligned with Ontario policy objectives

Enbridge Contacts

- Sarah Van Der Paelt, Director Marketing and Energy Conservation
Sarah.VanDerPaelt@enbridge.com
Office 519-436-5255
- Craig Fernandes, Manager Energy Conservation Strategy and Policy
Craig.Fernandes@enbridge.com
Office 416-495-3007
- Brad Lattanzi, Government Affairs Strategist
Brad.Lattanzi@enbridge.com
Office 416-495-6461

Advancing Natural Gas Conservation Programming in Ontario

June 2020

Agenda



- Value of Energy Conservation
- Made-in-Ontario Environment Plan
 - Calls for working with OEB to gradually increase DSM programming
- Timelines for DSM Programming
 - Next Generation DSM Framework Consultations
 - 2021 Transitional Rollover Application
- Clarifying “gradual increase” from Made-in-Ontario Environment Plan commitment
 - Varying interpretations on DSM program budgets & corresponding natural gas reduction targets
- Potential Impacts, Next Steps
 - Lack of clarity risks unintended outcomes e.g.: unexpected financial impacts to customers



Value of Natural Gas Conservation

Lowering Emissions and Putting Money in Consumer Pockets

 **Energy Cost Savings:** Customers save ~\$3 for each dollar spent on natural gas conservation



Natural Gas Savings: Reduced gas consumption by 28B m3, enough to serve 11.5M homes for one year



Cost Effective Programs: Benefit to cost ratio (TRC) of 6:1 per dollar spent



GHG Emission Reductions: Emissions reduced by 51.7 MT, equivalent to removing 11M cars for a year



20+ Years of Experience: Enbridge has been delivering OEB approved conservation programs since 1995.

DSM programs used by 215,000 customers between 2014-18.

Customer savings examples include:

Commercial & Industrial

Motor Specialty Manufacturing has avoided over \$120,000 in natural gas costs annually. Received incentives of \$106,705, covering 2/3 of project costs.

A Giant Tiger retail chain reduced gas usage by 30% annually.

Residential

Eligible for up to \$5000 incentive

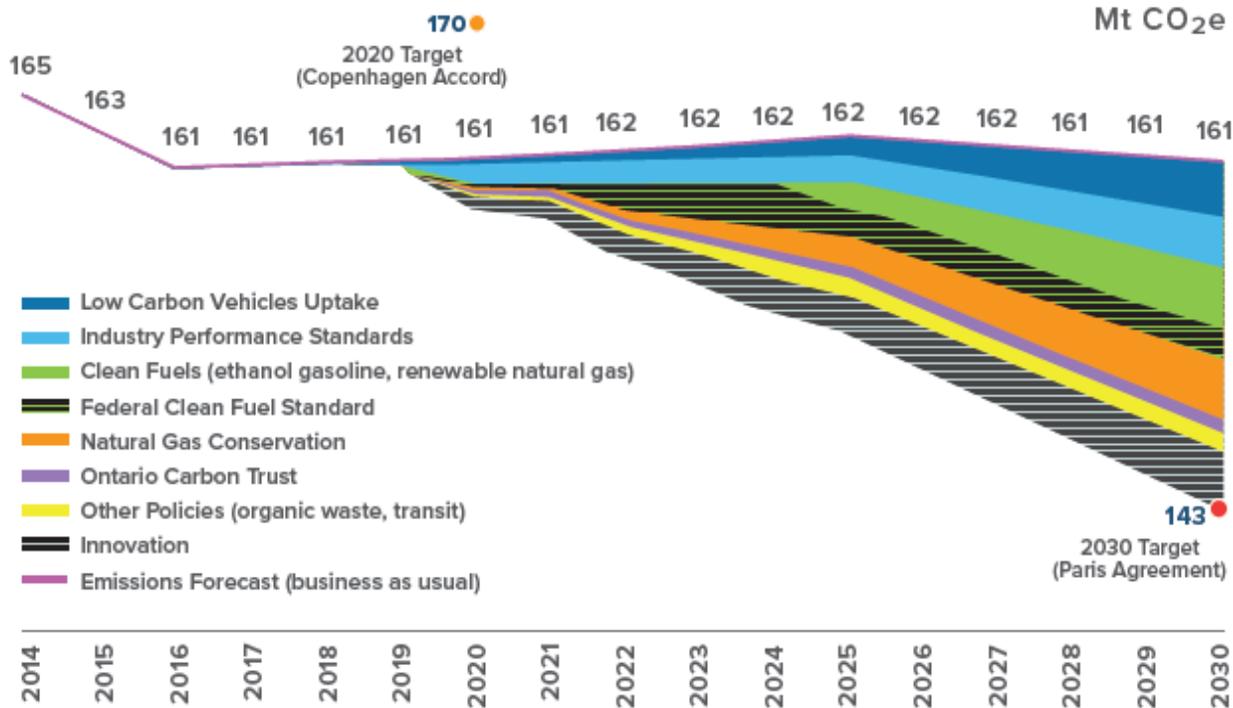
The O'Hara family received an incentive to assist their conservation investments which led to a 36% reduction in natural gas usage.

Made in Ontario Environment Plan



Explicitly supports Utilities' gas conservation programs

Path to Meeting Ontario's 2030 Emission Reduction Target



“The chart above shows where we expect Ontario’s emissions to be if we take no action (161 megatonnes) compared to where we expect our emissions to go if we take actions in specific sectors.”

“Natural Gas Conservation action reflects programs that are well established in Ontario to conserve energy and save people money. This case assumes a **gradual expansion of programs delivered by utilities**, which would be subject to discussions with the OEB.”

The Made-in-Ontario Environment Plan states government will:

1. **“work with the OEB and natural gas utilities to increase the cost-effective conservation of natural gas to simultaneously reduce emissions and lower energy bills”**
2. **“ensure the OEB keeps pace with consumer demands and the adoption of innovative energy solutions.”**

Energy Conservation



OEB consultation: DSM Framework and 2021 Rollover Application

Next Generation DSM Framework

- In May 2019 the OEB launched a consultation on a post 2020 DSM framework with programming set to begin in 2021.
- A full year later there has been no substantial progress to the consultation and no direction provided for the next generation DSM framework.
- A final DSM framework must be issued by the OEB in October of this year in order to ensure programming for 2022.

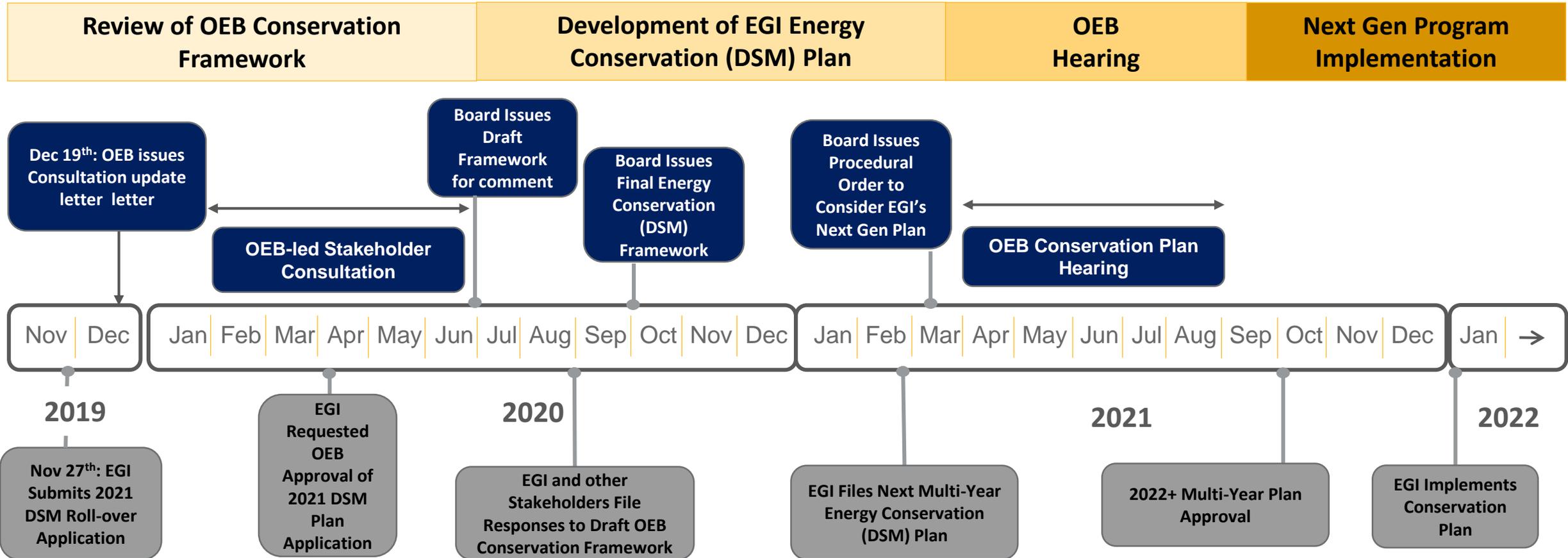
2021 Transitional Rollover Application

- Given the delays in framework consultation, Enbridge filed for a 2021 transitional rollover application in November 2019.
- A decision was requested of the OEB for early April to ensure continuity of programming for 2021.
- Nearly half way through 2020 and there is still no approved gas utility budget or conservation plan for the 2021 year, possibly jeopardizing conservation projects consumers wish to undertake.

Action: To ensure continuity of DSM programming at time consumers need the help the most, government should ask the OEB to make a timely decision on Enbridge's 2021 DSM Plan (EB-2019-0271) and on issuing the next generation DSM Framework (EB-2019-0003).



High-level timelines required for program continuity



Stakeholder Intervention



Large and varied interest in the DSM framework

- There is a need to balance appropriate consultation with large level of intervention
 - With 28 intervenors registered, intervenor costs alone are estimated to be between \$150-200,000
- OEB provides budget guidance to utilities within current DSM Framework
- Budget expectation is an intractable issue to litigate, and so it is better to provide policy guidance

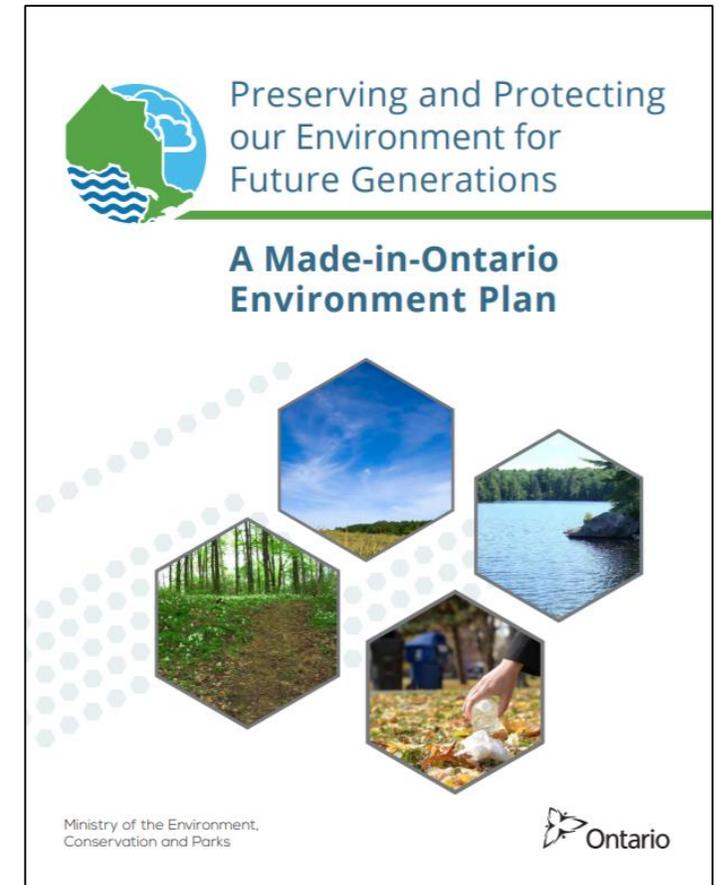
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Energy Conservation



Made in Ontario Environment Plan's Call for Gradual Increase of DSM

- There are a large number of Intervenor/Stakeholders involved in the OEB regulatory process with a wide range of interpretations of “gradual increase”. Clarification of the intent will reduce red tape and litigation over this interpretation.
- Gradual increase scenarios consistent with Environment Plan
 - A gradual increase of conservation programs by 5%/yr in equal increments over the 2021-2030 period would increase the cost from \$2/month to \$3/month residential impact. This would amount to an annual increase of \$1.20 per customer per year.
 - A gradual increase of conservation programs by 10%/yr in equal increments over the 2021-2030 period would increase the cost from \$2/month to \$4/month residential impact. This would amount to an annual increase of \$2.40 per customer per year.
- ***Action: Clarify intent of “gradual increase” to minimize red tape and litigation during OEB process and to ensure regulatory outcomes are aligned with intended policy objectives.***



Potential impacts if guidance not provided



-
- Risk of delays impacting the delivery of conservation programs at a time when both residential and business consumers need help the most
 - Residential and business customers delaying investments in conservation due to uncertainty of programming
 - OEB regulatory inefficiency with a large number of parties will lead to increased costs of regulatory process that will be recovered by ratepayers
 - Risk that regulatory outcomes are not aligned with intended policy objectives

Next Steps

Providing guidance to OEB on timelines and budget level



Recap of requested action items:

- *To ensure continuity of DSM programming at a time consumers need the help the most, government should ask the OEB to make a timely decision on Enbridge's 2021 DSM Plan (EB-2019-0271) and on issuing the next generation DSM Framework (EB-2019-0003).*
- *Clarify intent of "gradual increase" to minimize red tape and litigation during OEB process and to ensure regulatory outcomes are aligned with intended policy objectives.*

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July 2020

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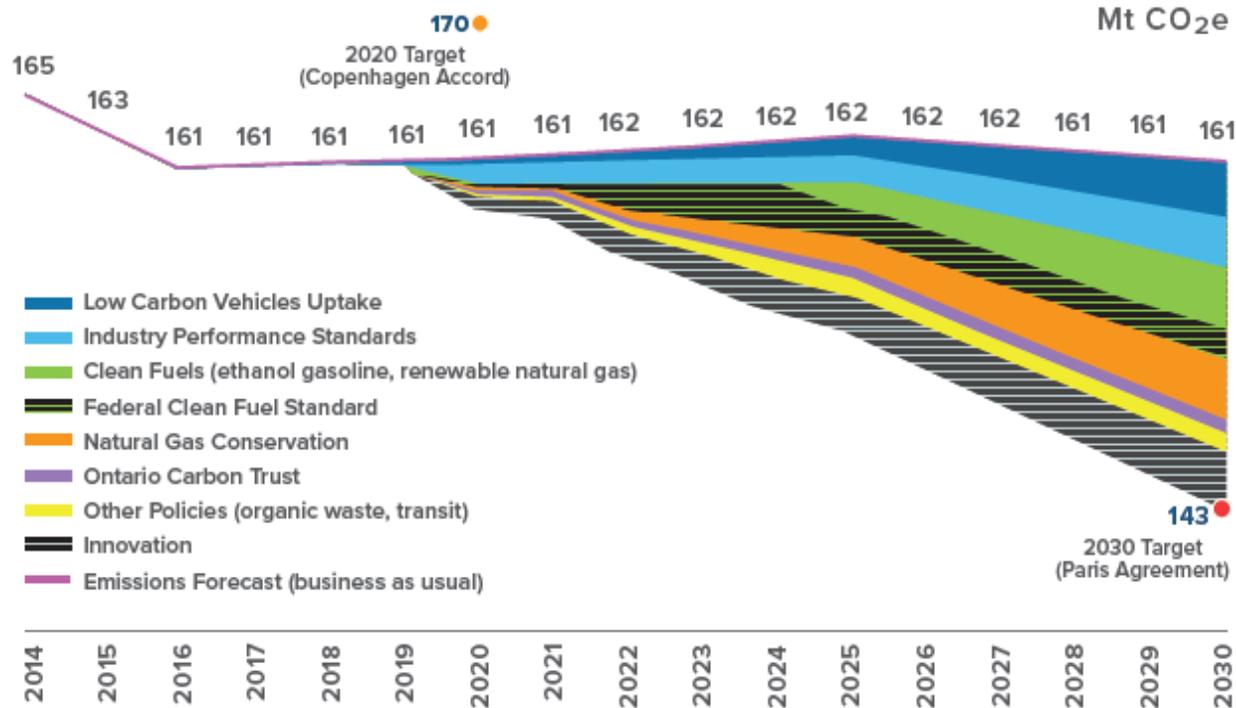
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Energy Conservation

OEB consultation: DSM Framework



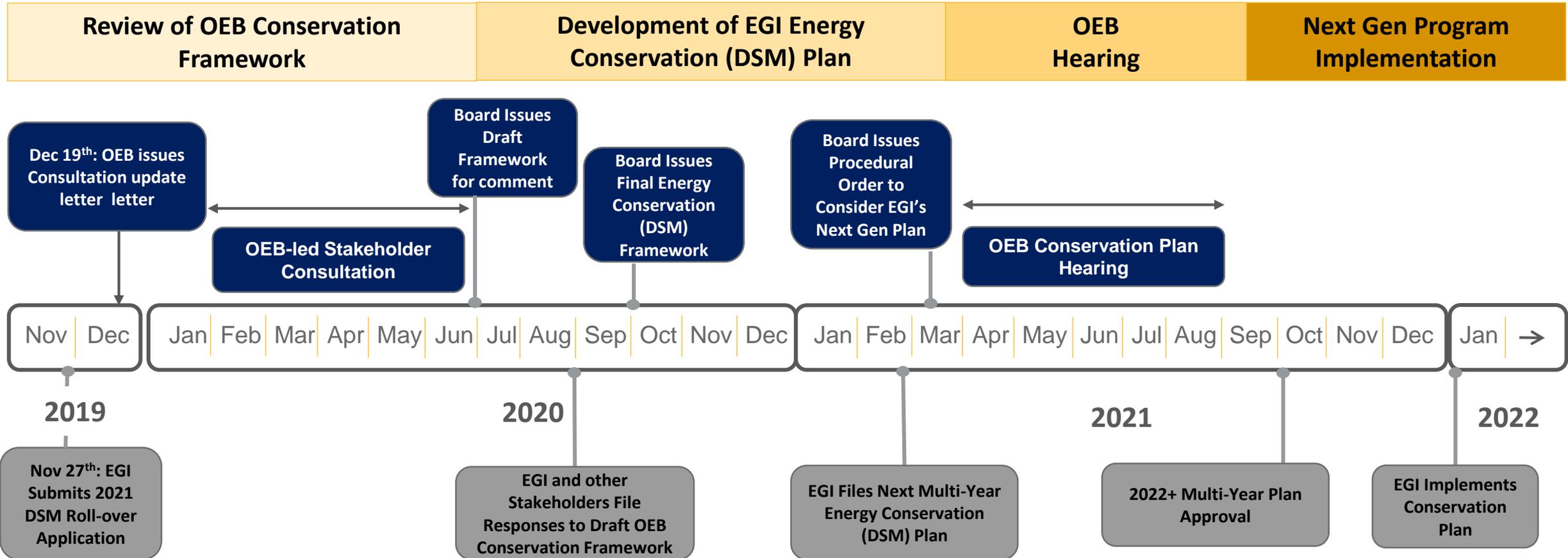
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- A final DSM framework must be issued by the OEB in October of this year in order to ensure programming for 2022.

Action: To ensure continuity of DSM programming at time consumers need the help the most, government should ask the OEB to make a timely decision on issuing the next generation DSM Framework (EB-2019-0003).



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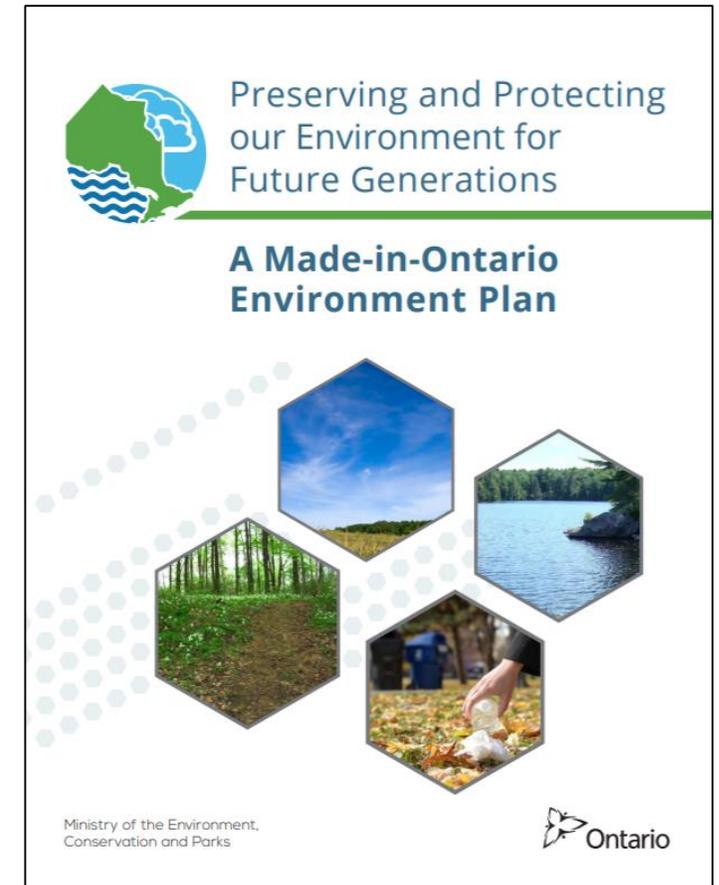
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- *Clarify intent of “gradual increase” to minimize red tape and litigation during OEB process and to ensure regulatory outcomes are aligned with intended policy objectives.*

Subject: FW: Enbridge Gas' Demand Side Management Plan OEB Application
Attachments: Enbridge Gas DSM Plan Backgrounder May 2021.pdf

From: Trevor Esdaile
Sent: Monday, May 10, 2021 4:07 PM
To: Syed, Usman (ENDM) <Usman.Syed@ontario.ca>; Schwab-Pflug, Emma (ENDM) <Emma.Schwab-Pflug@ontario.ca>
Subject: Enbridge Gas' Demand Side Management Plan OEB Application

Hi Usman and Emma,

Sharing this high-level update for your awareness. Last week, Enbridge Gas submitted its 2022-2027 Demand Side Management (DSM) plan to the OEB. The Plan builds on the previous framework and proposes to deliver a suite of fully integrated natural gas conservation programming for residential, affordable housing, commercial and industrial market sectors. Many existing offerings would continue with enhancements and make up the bulk (>90%) of the 2022 base year program budget. The goal has been to follow the direction from OEB and MENDM on having modest budget increases that balances short-term bill impacts with the long-term savings opportunities for rate payers.

Please see an attached high-level summary including program highlights and overview of the budget.

Let me know if you have any questions.

Thanks
Trevor

Trevor Esdaile

Manager, Government Affairs
Gestionnaire, Affaires gouvernementales

Public Affairs, Communications & Sustainability
Affaires publiques, communications et développement durable

ENBRIDGE INC.

TEL: 416-495-5409 | CELL: 437-248-9053
500 Consumers Rd., North York, ON M2J1P8

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Enbridge Gas' Demand Side Management Plan OEB Application

Overview

On May 3, 2021 Enbridge Gas submitted its 2022-2027 Demand Side Management (DSM) plan to the Ontario Energy Board (OEB). The Plan builds on the previous framework and proposes to deliver a suite of fully integrated programming for residential, affordable housing, commercial and industrial market sectors. Many existing offerings would continue with enhancements and make up the bulk (>90%) of the 2022 base year program budget. Enbridge Gas requires an interim decision from the OEB by no later than August 31, 2021, in order to ensure continuity of programming for 2022.

Cost-Effective Customer Savings

Enbridge has been delivering OEB approved natural gas conservation programs since 1995 with customer saving ~ \$3 for each dollar spent on natural gas conservation. These DSM plans are proven to work with a benefit to cost ratio of 4:1 per dollar spent. A commercial and industrial example would be Motor Specialty Manufacturing avoiding over \$120,000 in natural gas costs annually because they received incentives of \$106,705, covering 2/3 of their project costs. Residentially the O'Hara family received an incentive (eligible for up to \$5000 incentive) to assist their conservation investments which led to a 36% reduction in natural gas usage.

2022-2027 Program Highlights

- The DSM Plan proposes gross gas reductions of more than 240 million cubic meters in the starting year and a long term gross GHG reduction target of over 3 million tons over the plan's term.
- As examples, a Low-Income program participant in the Home Winter Proofing offering could save more than 600 m³ of natural gas annually, helping them to manage their energy bills and a Commercial program participant in the Custom offering, on average would save more than 18,000 m³ of natural gas annually.
- New programming aimed at long lived savings and/or tied to the Pan-Canadian framework address longer term emission reduction policy goals aligned with the Made-in-Ontario Environment Plan.
 - The Building Beyond Code program focuses on designing and building advanced efficiency into new buildings, including the consideration of net zero ready designs, so the opportunity for enhanced efficiency is not lost at the time of construction.
 - The Low Carbon Transition program seeks to build industry capacity with heat pump technologies that deliver effectively greater than 100% efficiency, increasing opportunities for Ontarians to manage their energy consumption.

2022-2027 Budget Overview

- The 2022 base year proposes a budget of \$136 million, a modest increase of 2.95% and the remainder of the plan's term proposes formulaic increases for Program Budgets of 3% over inflation while holding the Portfolio overhead to inflation only.
- Enbridge Gas has taken direction from the OEB on having modest budget increases and proposed that 3% over inflation for Programming Budgets balances the short-term bill impacts with the long-term savings opportunities for rate payers.
- This aligns with the joint Ministry letter in November 2020 to the OEB stating the government was supportive of increasing ratepayer funding of natural gas conservation in Ontario but that the OEB should balance bill impacts with the level of natural gas savings pursued.

Six Year 2022+ DSM Multi Year Plan Portfolio Budget						
	2022 (Base Year)	2023	2024	2025	2026	2027
Program Budget	\$118,000,000	\$123,900,000	\$130,095,000	\$136,599,750	\$143,429,738	\$150,601,225
		<i>Formulaic increase of 5% (3% policy growth + 2% inflation) over year prior</i>				
Portfolio Admin, Evaluation, Research & Development	\$18,000,000	\$18,360,000	\$18,727,200	\$19,101,744	\$19,483,779	\$19,873,455
		<i>Formulaic increase of 2% inflation over year prior</i>				
Total Budget Envelope	\$136,000,000	\$142,260,000	\$148,822,200	\$155,701,494	\$162,913,517	\$170,474,680

Note: 2% inflation is a forecast proxy, where budgets are proposed to increase by the CPI index annually

Timelines and Next steps

It is expected the OEB would next issue a Notice of Application and shortly thereafter consider the procedural steps for the application. Critically, Enbridge Gas has asked the OEB for an interim decision on the 2022 program year by no later than August 31, 2021, to provide program continuity for customers and certainty for the conservation industry. A final decision on the entire DSM Plan is not expected until Q1 2022.

Subject: FW: Enbridge & DSM Offerings
Attachments: EGI briefing on DSM offerings_2021-08-04.pdf

From: Trevor Esdaile
Sent: Wednesday, August 4, 2021 3:21 PM
To: Sawhney, Manish (ENDM) <Manish.Sawhney@ontario.ca>; Donovan, David (ENERGY) <David.Donovan@ontario.ca>; Roszak, Dominic (ENDM) <Dominic.Rozsak@ontario.ca>
Cc: Bradley Lattanzi <Bradley.Lattanzi@enbridge.com>
Subject: RE: Enbridge & DSM Offerings

Good Afternoon All,

Looking forward to tomorrow afternoon's briefing on DSM program offerings. Attached is the presentation that our DSM team will walk you and the team through. As always, don't hesitate to reach out if you have any questions in advance of the discussion.

Thanks,
Trevor

Trevor Esdaile

Manager, Government Affairs
Gestionnaire, Affaires gouvernementales

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—
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From: Donovan, David (ENERGY) <David.Donovan@ontario.ca>
Sent: Tuesday, July 27, 2021 8:23 AM
To: Bradley Lattanzi <Bradley.Lattanzi@enbridge.com>; Trevor Esdaile <trevor.esdaile@enbridge.com>
Cc: Sawhney, Manish (ENDM) <Manish.Sawhney@ontario.ca>; Roszak, Dominic (ENDM) <Dominic.Rozsak@ontario.ca>
Subject: [External] RE: Enbridge & DSM Offerings

Hi Brad & Trevor,

Could we arrange a time next week for Enbridge to come in and brief the team on Enbridge's current DSM offerings? I know there is an application before the board and an update on that would be useful, but generally understanding what is offered in the residential, commercial, low-income, industrial programs would be very helpful. There is interest in highlighting some of these programs as well, so an eye to that would be great. I know its tight but I'd appreciate it if we could make it work.

Thanks guys!

David Donovan | Chief of Staff
Office of the Honourable Todd Smith

Ministry of Energy

77 Grenville Street, 10th Floor | Toronto Ontario, M7A 2C1



Demand Side Management

How natural gas conservation reduces emissions and offers ratepayer savings



Enbridge in Ontario

Enbridge fuels Ontario's quality of life

Key Initiatives:

Natural Gas Community Expansion

Working with the Ontario Government to support more communities with potential for annual savings ranging from 10% – 50% per customer.

Energy Conservation Programs

Between 1995-2020, Enbridge has helped reduce customers' emissions by 55 MT – equivalent to taking 11.9 million cars off the road.

Voluntary Renewable Natural Gas Program

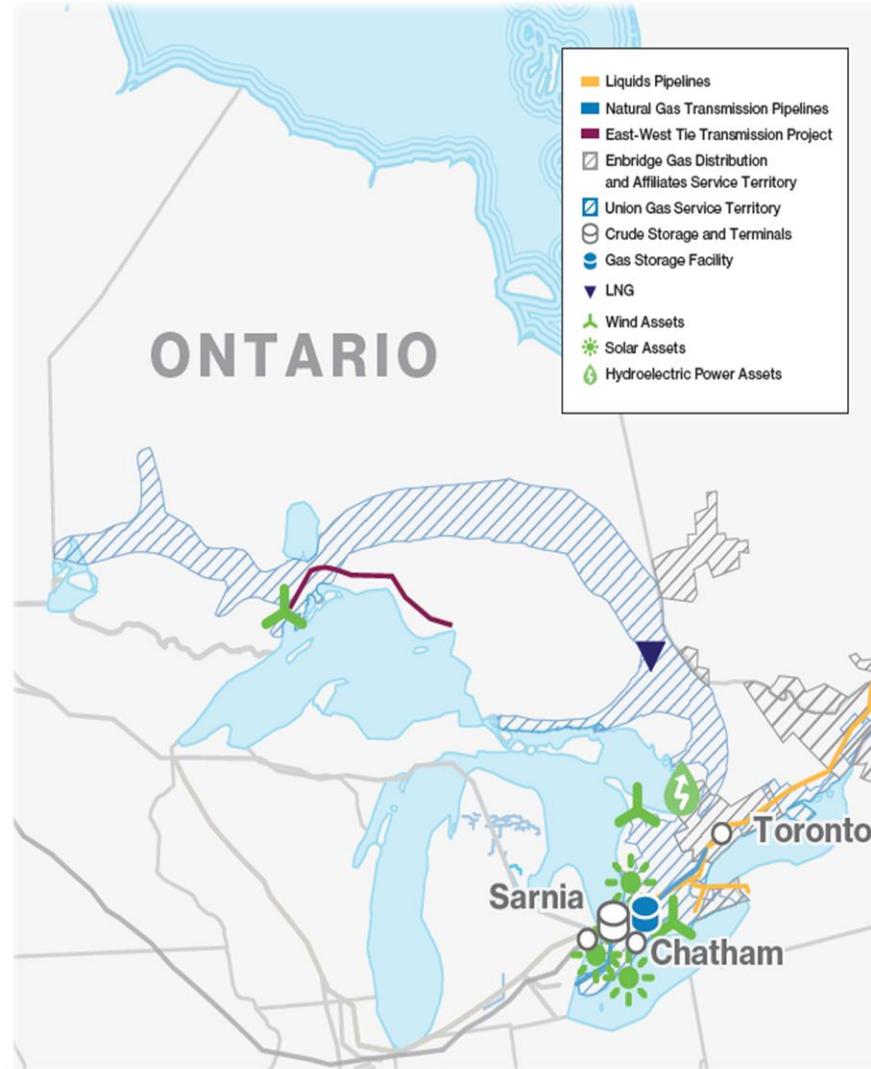
Introduced a new, low-cost, low-GHG option for customers beginning April 2021.

Compressed Natural Gas (CNG)

CNG fleets reduce emissions by 20% and save 40% on fuel costs compared to diesel fuel.

Green Hydrogen Production & Blending

Leveraging Enbridge's leading Power to Gas facility (Markham) to blend up to 2% hydrogen for approx. 3,600 natural gas customers.



Investment

Over \$2.5 billion invested in Ontario in 2020 (over \$1 B capital; \$1.55 B operations).

Property Taxes

Paid more than \$164 million in property and other taxes in Ontario in 2020.

Employment

Approx. 4,200 Ontario-based jobs.

Affordable Natural Gas

3.8 M customers, heating more than 75% of Ontario homes.

Renewables

7 projects: wind, solar and hydroelectric.

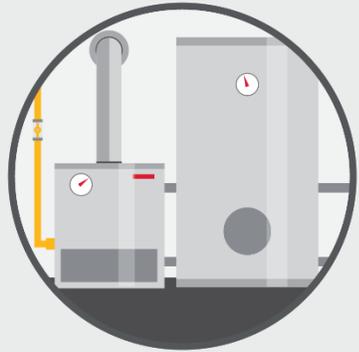
Liquids Pipelines

3 pipelines which move 491,000 barrels per day.



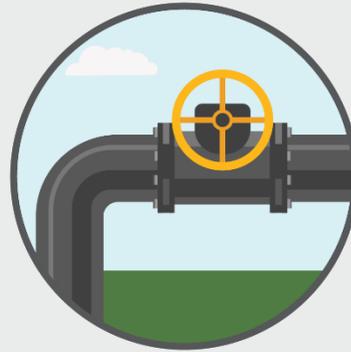
Enbridge Supporting the Transition to a Low-Carbon Future

Less gas



- Hybrid heating – dual fuel space heating
- Natural Gas heat pumps
- District Energy Systems
- Energy Conservation Programs

Replacement



- Replacing oil, propane and wood for home and water heating

Carbon-neutral gas



- Hydrogen: Power to Gas
- Renewable Natural Gas

Solutions other than gas



- Geothermal Heat Pumps for heating and cooling
- MicroGeneration: Low grade heat waste recovery
- Carbon capture utilization and storage
- Battery storage



Eliminate GHG emissions from our business on a net basis (net zero) by 2050



Reduce the intensity of GHG emissions from our operations 35% by 2030

Natural Gas Conservation





DSM Background

- Enbridge has been delivering Demand Side Management (“DSM”) for over 25 years.
- DSM (energy efficiency/conservation initiatives) was launched under direction of the Ontario Energy Board (OEB) in 1995 and funded through OEB approved gas rates.
- Programs help customers reduce energy consumption to create benefits for society, such as:
 - reduced energy bills
 - economic stimulus (i.e. money back in the customers’ pockets)
 - environmental benefits (i.e. reduced GHG emissions)
 - benefits specific to low-income consumers (i.e. improved comfort and safety)
- DSM is governed by an incentive regulation model and addresses OEB’s objectives for conservation.
- DSM is targeted to assist customers in reducing their gas consumption and managing their bills, with multiple secondary objectives/guiding principles, such as helping achieve Ontario’s GHG policies.



Enbridge Gas' DSM Impact

- Between 1995 and 2020¹, Enbridge Gas Inc.'s energy efficiency programs reduced customer consumption by **29.2 billion² m³** of natural gas; enough natural gas savings to serve nearly **12.7 million homes³** for a year.
- These natural gas reductions equate to ~ **54.7 million tonnes⁴** of greenhouse gas emissions, which is the equivalent of removing **11.9 million cars⁵** from the road for one year.



1. 2020 spending and results are unaudited and subject to change
2. For combined savings, assumes 50% savings in first year of program launch
3. Assumes a residential customer uses 2,400 m³ in Enbridge rate zone and 2,200 m³ per year in Union rate zones to heat their home and water
4. Assumes 1.874kg of CO₂e are emitted for each m³ of gas that is consumed
5. Assumes the average passenger vehicle produces 4.6 tonnes of CO₂ per year



Overview of Natural Gas Conservation Programs

Residential, Low-Income Customer and New Construction Program Offerings

New Construction

- Promotes improved energy and environmental performance in new construction by providing financial incentives and technical support to build beyond the Ontario Building Code.
- Available to residential, commercial and affordable housing building owners & developers.
- Participation is no cost.

Smart Thermostat

- \$75 Rebate on the purchase of a qualifying smart thermostat for eligible Enbridge Gas residential customers.

Home Efficiency Rebate

- Up to \$5,000 in rebates for eligible measures including: high efficiency heating and water heating systems; insulation and air sealing; and high efficiency doors and windows.
- Available to owner or tenant occupied single family-type homes heated with natural gas.
- Participants must complete pre and post energy assessments using NRCan's Energy Rating System by a Registered Energy Advisor.
- Requires homeowners upgrade at least 2 measures (3 where furnace is upgraded)
- Can participate in the Enbridge offer and federal Canada Greener Homes Grant but cannot receive duplicate rebates for the same measures or assessments
- More than 150,000 homes served

Affordable Housing (Low Income)

HOME WINTERPROOFING PROGRAM (HWP)

- Provides income-qualified homeowners and tenants with free professionally installed energy-saving upgrades, including air sealing, insulation and a smart thermostat
- About 22,000 homes served 2012-2020

INDIGENOUS HWP

- Available to on & off reserve Indigenous customers in Enbridge Gas service area.
- No cost energy saving upgrades same as HWP.

AFFORDABLE MULTI-FAMILY HOUSING PROGRAM

- Available to social housing and privately owned rental buildings that provide housing to low-income tenants.
- Program includes technical assistance, enhanced financial rebates, and/or no cost supply/ installation of energy saving measures such as low flow showerheads and heat reflector panels.



Overview of Natural Gas Conservation Programs

Commercial and Industrial Customers

OFFER	DESCRIPTION
Custom	Provides customized energy solutions including technical and financial support to C/I customers with more complex and/or multi-measure energy improvement projects such as boilers and control systems. Financial incentives are determined using project and site-specific inputs.
Prescriptive	Customers access a list of recommended technologies that have pre-determined incentive and savings amounts as defined by facility type and equipment size.
Direct Install	Targeted to small to mid-size business customers who require increased services and financial support. There are two Direct Install programs available – DCKV and Shipping Doors (the latter incents Air Curtain and Dock Door Seal technologies). The Direct Install DCKV program is delivered in collaboration with the IESO.
Distributor Discount	Point of purchase discounts are accessed through distributors and retailers who sell select foodservice and HVAC energy efficient equipment to C/I customers. Discounts are offered on the following equipment: Condensing Water Heater Storage & Tankless (Instantaneous), Condensing Unit Heater, ENERGY STAR Fryers, Steam Cookers and High-Efficient Broilers. This offer is delivered in collaboration with IESO for electricity foodservice measures where they apply.
Performance Based	A performance-based program offering assists customers with HVAC recommissioning and evaluation of building envelope integrity. Areas of focus may include low cost/no cost building optimization, and/or capital and operation & maintenance improvements for program participants.
Comprehensive Energy Management	Targeted to medium to large customers, CEM helps customers reduce operational costs by presenting energy as a controllable input cost and seek to create a sustainable culture of energy efficiency. This offer intends to build and expand on the existing EGI offers to guide and help customers with a structured approach to identifying, quantifying and implementing energy efficient measures.
Audit Programs and Engineering Studies	Financial support for completing an audit or energy study to identify and evaluate opportunities to reduce energy costs and assist in capital planning and decisions. Eligible study areas can include examination of customer facilities and see how they can manage and/or improve their energy use; energy efficiency technical analyses; and/or creation of a long-term energy plan.

2022-2027 DSM Plan Application - Overview



Quick Details

- Filed May 3, 2021, includes New Proposed Framework & DSM Plan for 6-year term, 2022-2027
 - Attempts to respond to multiple goals/objectives/guiding principles
 - One Utility Plan – fully integrated gas conservation programs across Ontario
 - ~90% of budget on enhanced versions of current programs, with modest budget increases over time
 - Significant timing challenges for continuity of programming, adjudication procedure determined by OEB

Major Themes

- Focus on increased participation and hard to reach markets/participants
- Coordinate Conservation Delivery (IESO, Municipalities, potentially Federal Programming)
- Focus on low carbon future
- Cost effectiveness



Proposed Budget Envelope

Formulaic increases balance bill impacts and policy goals

Six Year 2022-2027 DSM Multi Year Plan Portfolio Budget						
	2022 Base Year	2023	2024	2025	2026	2027
Program Budget	\$118,000,000	\$123,900,000	\$130,095,000	\$136,599,750	\$143,429,738	\$150,601,225
		<i>Formulaic increase of 5% over year prior (3% policy growth + 2% inflation)</i>				
Portfolio Admin, Evaluation, Research & Development	\$18,000,000	\$18,360,000	\$18,727,200	\$19,101,744	\$19,483,779	\$19,873,455
		<i>Formulaic increase of 2% inflation over year prior</i>				
Total Budget Envelope	\$136,000,000	\$142,260,000	\$148,822,200	\$155,701,494	\$162,913,517	\$170,474,680

As filed May 3rd, 2021 – 2% Inflation is a proxy, proposed to follow CPI index updated annually

Q&A

Subject: FW: Follow up on DSM

From: Bradley Lattanzi <Bradley.Lattanzi@enbridge.com>

Sent: Friday, October 15, 2021 3:40 PM

To: Donovan, David (ENERGY) <David.Donovan@ontario.ca>; Lively, Tyler (ENERGY) <Tyler.Lively@ontario.ca>; Pasternak, Shoshana (ENDM) <Shoshana.Pasternak@ontario.ca>

Cc: Trevor Esdaile <trevor.esdaile@enbridge.com>

Subject: Follow up on DSM

Hi All,

Great to connect this week. As promised, here's a high-level reference point on typical customer impacts for 2023. This is summarized based on what is proposed in our DSM Plan that's before the OEB for approval.

The impacts built into rates for the typical customer in 2023 will be about \$1.70 per month. There are variable components in the DSM Framework that are not included in base rates but are collected after the fact based on actual results, which could push the maximum total rate impact to be about \$2.25 per month. We do not typically reach the maximum, but would expect to land near the middle of the \$1.70 - \$2.25 range based on historical experience. This is based on what Enbridge proposed in the DSM Plan, which still needs to be litigated and approved by the OEB.

Let me know if you have any questions.

Thanks and have a great weekend

Brad

Brad Lattanzi

Government Affairs Strategist

Public Affairs, Communications & Sustainability

ENBRIDGE INC

TEL: 416-495-6461 | CELL: 647-515-2776

500 Consumers Road, North York, ON M2J 1P8

enbridge.com

Safety. Integrity. Respect.

Subject: FW: Natural gas conservation (DSM) briefing
Attachments: DSM Fact Sheet Nov 2020.pdf

From: Bradley Lattanzi
Sent: Thursday, November 12, 2020 12:01 PM
To: Roszak, Dominic (ENDM) <Dominic.Roszak@ontario.ca>; Evans, Andrew (ENDM) <Andrew.Evans4@ontario.ca>
Cc: Trevor Esdaile <trevor.esdaile@enbridge.com>
Subject: Natural gas conservation (DSM) briefing

Dom, Andrew, hope you're well!

I wanted to pass along this two pager brief (attached), which provides a high level overview of the current state and recommended next steps for the natural gas conservation file.

Happy to set up a brief call to walk through or to discuss at our next check in. Hoping we can find a few mins for coffee or a call late next wk.

Let me know if any Qs and I can set something up.

Thanks and talk soon,
Brad

Brad Lattanzi
Government Affairs Strategist
Public Affairs, Communications & Sustainability

ENBRIDGE INC
TEL: 416-495-6461 | CELL: 647-515-2776
500 Consumers Road, North York, ON M2J 1P8
enbridge.com
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Briefing Note: Overview of Natural Gas Conservation and Next Steps

Updated: November 12, 2020

Background

The Ontario Energy Board (“OEB”) as the regulator for natural gas utilities established a regulatory framework (EBO 169) to govern natural gas conservation, also referred to as Demand Side Management (“DSM”), programs in Ontario in 1993. These programs continue to serve Enbridge Gas’s residential, commercial and industrial customers by reducing their natural gas consumption and energy bills through energy efficient equipment choices and energy conservation practices. The OEB supports government policy goals through periodic DSM framework reviews so that utility led gas conservation programming continues to expand and evolve. Under the regulatory framework, utilities design and deliver conservation programming to serve all market sectors. DSM programs have been cost-effective with participants investments being outweighed by benefits from lower energy bills. Funding for gas conservation programs is recovered from natural gas ratepayers, without any direct government grants, contributions, etc. and with minimal cross subsidization between rate classes (user pay principle).

Stalled Regulatory Process

For over two decades, gas utilities have designed and delivered cost effective energy conservation programs under one of several OEB defined DSM frameworks. The financial budget and volumetric target savings are set in the context of a multi-year plans, balancing the achievement of significant natural gas savings, introduction of transformational changes in the conservation market and rate impacts. The current 2015-2020 DSM Framework is the fourth in a series of frameworks established by the OEB. In May 2019, the OEB initiated a consultation process for the Post 2020 DSM Framework. On June 19, 2019, as part of a communication on the status of policy initiatives during the transition to a new governance structure, the OEB listed the DSM Framework as one of the policy issues, “of importance to the sector”. However, the regulatory process has not proceeded expeditiously. As of October 2020, the OEB has not communicated the goals and objectives of the new framework, despite having received all stakeholder feedback in June 2019, and no procedural elements to complete the consultation have been communicated. In Fall 2019, Enbridge Gas felt that it was no longer reasonable to expect that the framework consultation would be completed and still allow for the development of an application, regulatory process and decision prior to expiration of the existing framework and funding, and as such continuity of conservation programming for customers was at risk. Enbridge Gas filed a 2021 “simple rollover” DSM application to extend the current framework and programming into 2021. After almost 7 months in the regulatory process and at estimated costs of almost \$250,000, the OEB approved the application ‘as filed’ in July 2020. Currently, given the historical regulatory timeframe to complete a DSM application, continuity of programming for 2022+ is at risk. Enbridge Gas is concerned that another similar DSM application for the 2022 program year may be required to ensure continuity of energy conservation programming, however a repeat of the regulatory process would be inconsistent with reducing regulatory burden and delivering value for money for the people of Ontario. The lack of a consistent multi-year framework and plan is also of concern for customers and the desire to avoid market confusion in the conservation industry.

DSM Results and Impacts

Natural gas conservation programs in Ontario have had tremendous value, with customers saving almost \$3 for every dollar invested, allowing customer to lower their residential bills and businesses to become more competitive. Between 1995 and 2019, Enbridge Gas Inc.'s energy efficiency programs reduced customer consumption by 30 billion cubic metres of natural gas, which is enough natural gas savings to serve nearly 12.5 million homes for one year. These gas savings have resulted in a reduction of 56.2 million tonnes of greenhouse gas emissions, roughly equal to removing 12.2 million cars from the road for one year. Enbridge provides programs accessing to all sectors of the economy, including Low Income and for example, more than 27,000 residential customers participated to improve the comfort of their home and reduce energy bills.

Why is it working?

The regulatory framework has allowed Enbridge Gas to invest in resources to develop programs that are responsive to evolving consumer demands, constant market changes and support government policy priorities. A long-term commitment to DSM allows for:

- Development of long-term capital plans optimizing complex customer project investments
- Attraction and retention of conservation talent in Ontario
- Customer awareness and education through Enbridge Gas DSM programming
- Development of expertise, skills and capacity in the market, creating new job opportunities
- Trusted relationships to address complex conservation issues in specialty markets, e.g., commercial greenhouses, community energy systems or low carbon technology-based products such as heat pumps

The framework provides for a utility incentive mechanism that rewards Enbridge for achieving pre-determined performance-based outcomes. By integrating DSM in the utility's business, it counters business disincentives created by lost revenues on the supply side.

Next Steps

Enbridge believes the Ontario Government should provide clear expectations for the OEB to:

- Expediently complete the DSM framework consultation while ensuring the process delivers value for money for the people of Ontario
- Provide gas utilities guidance and/or approvals for interim periods, such as the 2022 program year, that ensure continuity of programming while minimizing regulatory red tape
- Provide guidance on the "gradual increase" in the Made in Ontario Environmental Plan to the OEB, and stakeholders to clarify and minimize unnecessary litigation over policy direction

ENBRIDGE GAS INC.

Answer to Interrogatory from
Environmental Defence

Interrogatory

Issue 2

Reference:

EB-2021-0002, Exhibit D, Tab 1, Schedule 3, Page 4

Preamble:

Note, these questions are also relevant to other issues, such as the appropriateness of the proposed budget levels.

Question(s):

(a) Please complete the following table. Please make and state assumptions as needed. For example, for the purposes of the target adjustment mechanism we suggest the assumption that Enbridge meets its 100% targets in 2023 to 2027.

DSM Savings Historic and Targeted					
	2018	2019	...	2026	2027
First Year Savings (per plan / target), m3 ¹					
First Year Savings (audited results), m3 ²					
Lifetime Savings (per plan / target), m3 ³					
Lifetime Savings (audited results), m3 ⁴					

¹ The first year savings arising from the DSM programs in each year as derived from that year's plan and target.

² The first year savings arising from the DSM programs in each year per audited results.

³ The lifetime savings arising from the DSM programs in each year as derived from that year's plan and target. For 2023 to 2027, please provide the best estimate of the lifetime savings despite the fact that the targets are based on first year savings.

⁴ The lifetime savings arising from the DSM programs in each year as derived from that year's plan and target. For 2023 to 2027, please provide the best estimate of the lifetime savings despite the fact that the targets are based on first year savings.

(b) Please complete the following table. Please make and state assumptions as needed.

DSM Savings Persisting in 2030					
	2018	2019	...	2026	2027
DSM Savings Persisting in 2030 (m3) ⁵ – According to Plan/Budget					
DSM Savings Persisting in 2030 (m3) ⁶ – Based on Audited Results					

⁵ DSM savings from the programs in the relevant year that are assumed to persist in 2030 based on the measure life.

⁶ DSM savings from the programs in the relevant year that are assumed to persist in 2030 based on the measure life.

Response

a) Please see the following table.

DSM Savings Historic and Targeted										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net Annual Gas Savings (per plan / 100% target), m3 ¹	113,028,464	104,131,044	108,561,473	101,411,656	102,220,650	106,677,914	108,884,161	111,184,344	113,153,031	115,416,091
Net Annual Gas Savings (audited results), m3 ²	108,402,303	115,690,827	96,238,682	N/A						
Net Cumulative Gas Savings (per plan / 100% target), m3 ³	2,014,441,008	1,868,442,370	1,841,221,139	1,719,959,014	1,733,679,692	1,749,703,196	1,785,254,075	1,822,184,157	1,856,077,840	1,893,199,397
Net Cumulative Gas Savings (audited results), m3 ²	1,931,991,621	2,075,861,664	1,632,224,492	N/A						

1. The 2015-2020 DSM Plan (extended to 2022) does not have net annual 100% savings targets. For illustrative purposes, net annual saving targets are derived from the net cumulative 100% saving targets using the respective year's audited results as a proxy. 2021-2022 use 2020's audited results as a proxy.

2. 2020 are draft audit results.

3. 2022 net cumulative gas saving targets based on 100% target calculation using the 2021 results and spend as detailed in interrogatory response to I.6.EGI.STAFF.13a, Attachment 1.

b) Please see the following table.

DSM Savings Persisting in 2030										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
DSM Savings Persisting in 2030 (m3) – According to Plan/Budget ^{1 2 3}	113,028,464	217,159,508	325,720,981	427,132,637	529,353,287	636,031,201	744,915,362	856,099,706	969,252,736	1,084,668,827
DSM Savings Persisting in 2030 (m3) – Based on Audited Results ⁴	108,402,303	224,093,130	320,331,812	320,331,812	320,331,812	320,331,812	320,331,812	320,331,812	320,331,812	320,331,812

1. The 2015-2020 DSM Plan (extended to 2022) does not have first year savings targets. For illustrative purposes, first year saving targets are derived from the net cumulative gas saving targets using the respective year's audited results as a proxy. 2021-2022 use 2020's audited results as a proxy.
2. 2022 net cumulative gas saving targets based on 100% target calculation using the 2021 results and spend as detailed in interrogatory response to I.6.EGI.STAFF.13a, Attachment 1.
3. 2021 net cumulative gas saving results as detailed in interrogatory response to I.6.EGI.STAFF.13a, Attachment 1. However, the numbers may vary due to rounding adjustments.
4. 2020 are draft audit results.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Environmental Defence

Interrogatory

Issue 2

Reference:

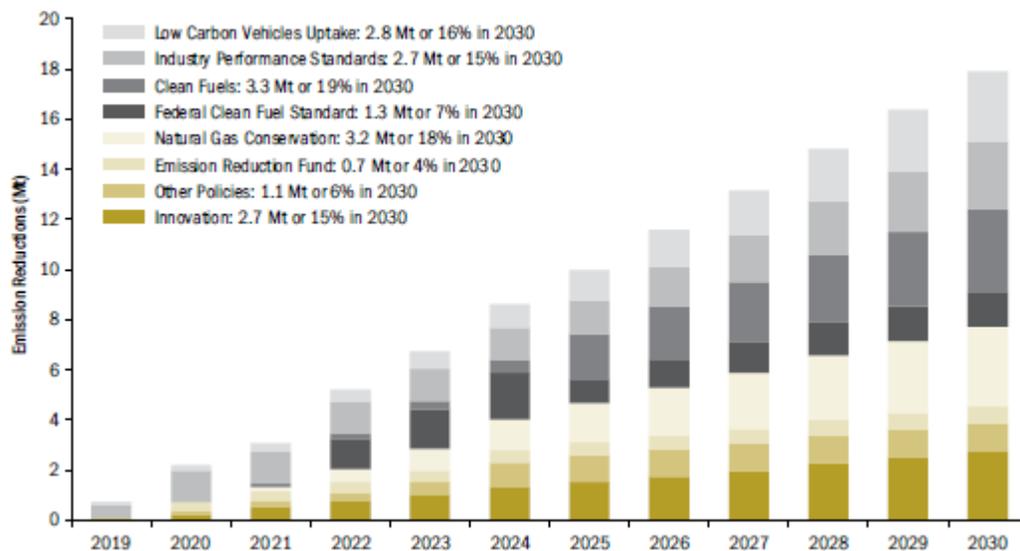
EB-2021-0002, Exhibit D, Tab 1, Schedule 3, Page 4

Preamble:

Note, these questions are also relevant to other issues, such as the appropriateness of the proposed budget levels.

Question(s):

- (a) The Auditor General states, with respect to the Environment Plan, that “18% (3.2 Mt) of emissions reductions will come from natural gas conservation programs.”¹ Is this statement correct? If not, why not?
- (b) The Auditor General provided the following chart from Ministry of the Environment data.² Please confirm that this shows a linear increase in CO₂e emissions reductions from natural gas consumption until 2030. If not, please explain.



¹ Auditor General of Ontario, 2019 Annual Report Volume 2, Chapter 3, p. 150.

² *Ibid.* p. 142.

- (c) Please confirm that the chart referred to in (b) above shows carbon emission reductions starting from natural gas conservation commencing in 2021 (this is clearer in the original version at this [link](#)). If this differs from Enbridge's understanding, please explain.
- (d) Please confirm that the 3.2 Mt reduction in carbon emissions from natural gas conservation is incremental to a status quo scenario including a continuation of the savings levels from the then-existing programs in the 2015-2020 DMS plans. If not, please explain Enbridge's understanding.
- (e) The Auditor General stated "In 2016, every dollar spent on natural gas conservation programs resulted in energy bill savings of about \$2.40. Internally, the Ministry estimated the additional required funding for this scenario from 2021 to 2030 would be \$6.6 billion."³ Please confirm that the 3.2 Mt reduction in carbon emissions from natural gas conservation is incremental to a status quo scenario including a continuation of the 2020 savings levels. If not, please explain Enbridge's understanding.

Response:

- a) The Company does not believe this statement is correct.

In the November 27, 2020 joint letter to the OEB from the Associate Minister of Energy and the Minister of Environment, Conservation and Parks, the Ontario government made clear that:

The Environment Plan also acknowledges the important role of natural gas conservation programs in achieving our provincial GHG emissions reduction target. To that end, the plan includes an estimate of the potential for actions related to natural gas conservation, **with ratepayer-funded natural gas DSM being one component of this [emphasis added]**. We are therefore writing to clarify that this estimate is not intended to be a prescriptive target that the OEB would be required to facilitate through ratepayer-funded natural gas DSM programs.⁴

The Made-In-Ontario Environment Plan lists **a number of actions beyond the natural gas utility DSM program efforts**, that are included as having the potential to contribute to natural gas conservation in homes and buildings and reduce emissions.⁵ The Made-In-Ontario Environment Plan **does not** however quantify the respective relative contributions to the 3.2MT CO₂ emissions reduction target forecast for all natural gas conservation generally.

³ *Ibid.* p. 151.

⁴ MC-994-2020-1084, Ministry of Energy, Northern Development and Mines, Office of the Associate Minister of Energy Letter to the Ontario Energy Board (November 27, 2020), p. 1. <https://www.oeb.ca/sites/default/files/ENDM-MECP-letter-to-OEB-20201127.pdf>

⁵ Preserving and Protecting our Environment for Future Generations – A Made-in-Ontario Environment Plan, Ministry of Environment, Conservation and Parks (November 29, 2018), p. 32. <https://prod-environmental-registry.s3.amazonaws.com/2018-11/EnvironmentPlan.pdf>

- b) The referenced figure includes a stacked bar chart with no values. Enbridge Gas does not have access to the data that was used to develop this chart and as such cannot confirm that it shows definitively, a linear increase in CO2 emissions reductions from 2019 to 2030 under the category of natural gas conservation.
- c) While it is difficult to clearly see, it does appear that the chart includes a band representing carbon emission reductions under the category labelled Natural Gas Conservation commencing in 2021.
- d) – e) Enbridge Gas did not author and was not involved with the development of the Environmental Plan nor the Auditor General report and cannot definitely confirm nor deny if this is correct. The Company notes, the 2019 Energy Conservation Progress Report, authored by the then Environmental Commissioner suggests “the 3.2 MT CO2e of emissions reductions in the draft Environmental Plan are incremental to what would be achieved by existing gas conservation programs continuing at their current level of spending.”⁶

⁶ A Healthy, Happy, Prosperous Ontario, 2019 Energy Conservation Progress Report, Environmental Commissioner of Ontario (March 2019), pp. 65-66.
https://www.auditor.on.ca/en/content/reporttopics/envreports/env19/2019_EnergyConservationProgressReport.pdf

ENBRIDGE GAS INC.

Answer to Interrogatory from
Environmental Defence

Interrogatory

Issue 2

Reference:

EB-2021-0002, Exhibit D, Tab 1, Schedule 3, Page 4

Preamble:

Note, these questions are also relevant to other issues, such as the appropriateness of the proposed budget levels.

Question(s):

(a) Please complete the following table. For the GHG reductions called for in the Environment Plan ([link](#)), please make or state assumptions as necessary. We suggest the assumption of a linear increase in persisting GHG savings starting in 2021 resulting in a 3.2 Mt reduction persisting in 2030.

GHG Reductions: Environment Plan vs. DSM Plans (t CO2e – Persisting Annual)¹					
		2020	2021	...	2030
GHG Savings from Natural Gas Conservation Consistent with Environment Plan (Incremental) ²	Annual Increase				
	Persisting Since 2020				
GHG Savings from Natural Gas Conservation Assuming 2020 Status Quo Gas Savings Continue to 2030	Annual Increase				
	Persisting Since 2020				
GHG Savings from Natural Gas Conservation DSM Plans ³	Annual Increase				
	Persisting Since 2020				
GHG Savings from Natural Gas Conservation Incremental to 2020 Status Quo per DSM Plans	Annual Increase				
	Persisting Since 2020				

¹ For all figures, please provide the tonnes of CO2e that will persist in 2030.

² For the GHG reductions called for in the Environment Plan, please make or state assumptions as necessary. We suggest the assumption of a linear increase in persisting GHG savings starting in 2021 resulting in a 3.2 Mt reduction persisting in 2030.

³ Assuming targets are met at 100%. For 2028 to 2030, assume the same growth in savings from 2023-2027 continues.

(b) Please complete the following table. For the GHG reductions called for in the Environment Plan ([link](#)), please make or state assumptions as necessary. We suggest the assumption of a linear increase in persisting GHG savings starting in 2021 resulting in a 3.2 Mt reduction persisting in 2030. (Note – this is the same as above but with a 2021 start date).

GHG Reductions: Environment Plan vs. DSM Plans (t CO₂e – Persisting Annual)⁴					
		2021	2022	...	2030
GHG Savings from Natural Gas Conservation Consistent with Environment Plan (Incremental) ⁵	Annual Increase				
	Persisting Since 2021				
GHG Savings from Natural Gas Conservation Assuming 2020 Status Quo Gas Savings Continue to 2030	Annual Increase				
	Persisting Since 2021				
GHG Savings from Natural Gas Conservation DSM Plans ⁶	Annual Increase				
	Persisting Since 2021				
GHG Savings from Natural Gas Conservation Incremental to 2020 Status Quo per DSM Plans	Annual Increase				
	Persisting Since 2021				

(c) Please complete a version of the above tables expressed in cubic metres instead of CO₂e.

⁴ For all figures, please provide the tonnes of CO₂e that will persist in 2030.

⁵ For the GHG reductions called for in the Environment Plan, please make or state assumptions as necessary. We suggest the assumption of a linear increase in persisting GHG savings starting in 2021 resulting in a 3.2 Mt reduction persisting in 2030.

⁶ Assuming targets are met at 100%. For 2028 to 2030, assume the same growth in savings from 2023-2027 continues.

Response

a) b) & c)

While Enbridge Gas has responded to this interrogatory as requested, it is important to note that Enbridge Gas does not accept the premise of the questions asked, namely that the entirety of the GHG reductions of 3.2 MT CO₂e from natural gas conservation forecast in the Environmental Plan are attributed to utility delivered natural gas DSM programs.

The Made-In-Ontario Environment Plan, and the letter sent to the OEB on November 27, 2020, do not quantify the respective relative contributions to the 3.2MT CO₂ emissions reduction target forecast for natural gas conservation generally. That being said, Enbridge Gas has made best efforts to be responsive in the tables below

a) & c)

		GHG ⁷ Reductions: Environment Plan vs. DSM Plans (t CO ₂ e – Persisting Annual)										
		2020 ³	2021 ⁴	2022 ⁵	2023	2024	2025	2026	2027 ⁶	2028	2029	2030
GHG Savings from Natural Gas Conservation Consistent with Environment Plan (Incremental) ¹	Annual Increase	-	320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000
	Persisting Since 2020	-	320,000	640,000	960,000	1,280,000	1,600,000	1,920,000	2,240,000	2,560,000	2,880,000	3,200,000
GHG Savings from Natural Gas Conservation Assuming 2020 Status Quo Gas Savings Continue to 2030 ²	Annual Increase	Cannot be provided										
	Persisting Since 2020	Cannot be provided										
GHG Savings from Natural Gas Conservation DSM Plans	Annual Increase	180,351	194,104	178,277	199,914	204,049	208,359	212,049	216,290	-	-	-
	Persisting Since 2020	180,351	374,455	552,732	752,646	956,695	1,165,055	1,377,104	1,593,393	-	-	-
GHG Savings from Natural Gas Conservation Incremental to 2020 Status Quo per DSM Plans	Annual Increase	-	13,753	2,075	19,563	23,698	28,008	31,697	35,938	-	-	-
	Persisting Since 2020	-	13,753	11,678	31,241	54,939	82,947	114,644	150,583	-	-	-

		table a) converted to m ³										
		2020 ³	2021 ⁴	2022 ⁵	2023	2024	2025	2026	2027 ⁶	2028	2029	2030
GHG Savings from Natural Gas Conservation Consistent with Environment Plan (Incremental) ¹	Annual Increase	-	170,757,737	170,757,737	170,757,737	170,757,737	170,757,737	170,757,737	170,757,737	170,757,737	170,757,737	170,757,737
	Persisting Since 2020	-	170,757,737	341,515,475	512,273,212	683,030,950	853,788,687	1,024,546,425	1,195,304,162	1,366,061,900	1,536,819,637	1,707,577,375
GHG Savings from Natural Gas Conservation Assuming 2020 Status Quo Gas Savings Continue to 2030 ²	Annual Increase	Cannot be provided										
	Persisting Since 2020	Cannot be provided										
GHG Savings from Natural Gas Conservation DSM Plans	Annual Increase	96,238,682	103,577,367	95,131,628	106,677,914	108,884,161	111,184,344	113,153,031	115,416,091	-	-	-
	Persisting Since 2020	96,238,682	199,816,049	294,947,677	401,625,591	510,509,752	621,694,096	734,847,127	850,263,218	-	-	-
GHG Savings from Natural Gas Conservation Incremental to 2020 Status Quo per DSM Plans	Annual Increase	-	7,338,685	1,107,054	10,439,232	12,645,479	14,945,662	16,914,349	19,177,409	-	-	-
	Persisting Since 2020	-	7,338,685	6,231,631	16,670,864	29,316,343	44,262,005	61,176,354	80,353,763	-	-	-

¹ Assumes 3.2 MT CO₂e referenced in the Environment Plan are realized equally from 2021-2030

² Enbridge Gas cannot estimate GHG Savings from Natural Gas Conservation Assuming 2020 Status Quo Gas Savings Continue to 2030 as explained in the interrogatory response to Exhibit I.2.EGI.ED.9, Enbridge Gas does not have the information to determine what percent of the 3.2 MT CO₂e is forecast to be attributed to utility delivered natural gas DSM programs

³ 2020 DSM Plan values are draft audit net annual m³

⁴ 2021 DSM Plan values represent a forecasted net CCM value divided by the 2020 average measure life to get to net annual m³

⁵ 2022 DSM Plan values represent achievement of 100% of the 2022 TAM determined targets based on 2021 forecast results divided by 2020 average measure life to get to 2022 net annual m³

⁶ 2027 is the final year of the proposed 2022-2027 DSM plan application and Enbridge Gas will not speculate on a forecast beyond 2027

⁷ Conversion factor for t CO₂e = (1.874/1000) * m³

b) & c)

		GHG ⁷ Reductions: Environment Plan vs. DSM Plans (t CO ₂ e – Persisting Annual)									
		2021 ⁴	2022 ⁵	2023	2024	2025	2026	2027 ⁶	2028	2029	2030
GHG Savings from Natural Gas Conservation Consistent with Environment Plan (Incremental) ¹	Annual Increase	320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000
	Persisting Since 2021	320,000	640,000	960,000	1,280,000	1,600,000	1,920,000	2,240,000	2,560,000	2,880,000	3,200,000
GHG Savings from Natural Gas Conservation Assuming 2021 Status Quo Gas Savings Continue to 2030 ²	Annual Increase	Cannot be provided									
	Persisting Since 2021										
GHG Savings from Natural Gas Conservation DSM Plans	Annual Increase	194,104	178,277	199,914	204,049	208,359	212,049	216,290	-	-	-
	Persisting Since 2021	194,104	372,381	572,295	776,344	984,703	1,196,752	1,413,042	-	-	-
GHG Savings from Natural Gas Conservation Incremental to 2021 Status Quo per DSM Plans	Annual Increase	-	15,827	5,810	9,945	14,255	17,945	22,186	-	-	-
	Persisting Since 2021	-	15,827	10,017	72	14,184	32,128	54,314	-	-	-

		table b) converted to m3									
		2021 ⁴	2022 ⁵	2023	2024	2025	2026	2027 ⁶	2028	2029	2030
GHG Savings from Natural Gas Conservation Consistent with Environment Plan (Incremental) ¹	Annual Increase	170,757,737	170,757,737	170,757,737	170,757,737	170,757,737	170,757,737	170,757,737	170,757,737	170,757,737	170,757,737
	Persisting Since 2021	170,757,737	341,515,475	512,273,212	683,030,950	853,788,687	1,024,546,425	1,195,304,162	1,366,061,900	1,536,819,637	1,707,577,375
GHG Savings from Natural Gas Conservation Assuming 2021 Status Quo Gas Savings Continue to 2030 ²	Annual Increase	Cannot be provided									
	Persisting Since 2021										
GHG Savings from Natural Gas Conservation DSM Plans	Annual Increase	103,577,367	95,131,628	106,677,914	108,884,161	111,184,344	113,153,031	115,416,091	-	-	-
	Persisting Since 2021	103,577,367	198,708,995	305,386,909	414,271,070	525,455,414	638,608,445	754,024,536	-	-	-
GHG Savings from Natural Gas Conservation Incremental to 2021 Status Quo per DSM Plans	Annual Increase	-	8,445,739	3,100,547	5,306,794	7,606,977	9,575,664	11,838,724	-	-	-
	Persisting Since 2021	-	8,445,739	5,345,191	38,397	7,568,580	17,144,244	28,982,968	-	-	-

¹ Assumes 3.2 MT CO₂e referenced in the Environment Plan are realized equally from 2021-2030

² Enbridge Gas cannot estimate GHG Savings from Natural Gas Conservation Assuming 2020 Status Quo Gas Savings Continue to 2030 as explained in the interrogatory response to Exhibit I.2.EGI.ED.9, Enbridge Gas does not have the information to determine what percent of the 3.2 MT CO₂e is forecast to be attributed to utility delivered natural gas DSM programs

³ 2020 DSM Plan values are draft audit net annual m3

⁴ 2021 DSM Plan values represent a forecasted net CCM value divided by the 2020 average measure life to get to net annual m3

⁵ 2022 DSM Plan values represent achievement of 100% of the 2022 TAM determined targets based on 2021 forecast results divided by 2020 average measure life to get to 2022 net annual m3

⁶ 2027 is the final year of the proposed 2022-2027 DSM plan application, therefore Enbridge Gas cannot speculate on a forecast beyond 2027

⁷ Conversion factor for t CO₂e = (1.874/1000) * m3

ENBRIDGE GAS INC.

Answer to Interrogatory from
Environmental Defence

Interrogatory

Issue 2

Reference:

EB-2021-0002, Exhibit D, Tab 1, Schedule 3, Page 4

Preamble:

Note, these questions are also relevant to other issues, such as the appropriateness of the proposed budget levels.

Question:

- (a) Please prepare a table comparing the proposed gas savings in the current DSM plans with the amounts referenced in the Environment Plan ([link](#)). Where necessary, please make and state assumptions. If Enbridge believes a response to the previous interrogatory provides the best comparison it need not reproduce that response again here.

Response

Please see response to Exhibit I.2.EGI.ED.10.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Green Energy Coalition (GEC)

Interrogatory

Issue 2

Question(s):

Please provide all communications, documents or presentations prepared by or for the company or its parent company in the last 3 years that discuss or interpret the impacts of Provincial government climate policy (i.e. GHG related policy) on gas use. Please include all communications with the provincial government in this regard.

Response:

In 2015, Enbridge Gas engaged ICF International Inc. ("ICF") to undertake an analysis of the proposed Cap and Trade program and the potential of several GHG abatement opportunities. Reports prepared by ICF were provided in interrogatory responses in the OEB's Generic Proceeding on Community Expansion (EB-2016-0004) at Exhibit S3.EGDI.OGA.3¹ and in the Cap and Trade Compliance Plan application (EB-2016-0300) at Exhibit I.1.EGDI.SEC.4, Attachments 1 and 2². These reports are more than three years old and are now outdated. Since this time the Company has not prepared any communications, documents or presentations that discuss or interpret the impacts of Federal or Provincial government climate policy on gas use. The Company is however working to understand the impacts of Federal and Provincial climate policy on gas demand which is anticipated to be filed as part of the Rebasing Application.

Enbridge Gas believes that this interrogatory asks for materials which are not relevant for the purposes of this application and are out of scope. This application is based upon and was informed by, amongst other things, the direction given by the OEB, the mid-term review, the post 2021 framework consultative, the experiences gained by Enbridge Gas over the years and communications with stakeholders.

¹ EB-2016-0004, OEB Generic Community Expansion, EGD Interrogatory Responses to Interrogatories of OGA, Exhibit S3.EGDI.OGA.3 Plus Attachment (April 22, 2016).

² EB-2016-0300, Cap and Trade Compliance Plan, EGD Interrogatory Responses to Interrogatories of SEC, Exhibit I.1.EGDI.SEC.4 Plus Attachments (March 17, 2016).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Housing Services Corporation (HSC)

Interrogatory

Issue 2

Question(s):

HSC has heard from numerous non-profit and municipal social housing providers that construction and building materials/equipment costs, as well as overall operating costs, have increased dramatically since the COVID-19 pandemic began. These increases have created serious financial pressures for social housing providers, forcing them to make hard decisions on capital improvements versus specific energy efficiency projects. Construction and materials/equipment costs have escalated dramatically in 2021 across all regions, outstripping even Canada's escalating Consumer Price Index (which was 4.1% as of August 2021). Additionally, social housing providers from northern Ontario have indicated that construction and materials/equipment costs are always higher in their regions relative to those in much of southern Ontario due to access and location.

Regional differences and current high inflationary increases, such as those for construction and capital equipment replacement costs, should be considered in the program budgets and targets. Enbridge is asked to address these considerations through higher budgets for AHMR and Home Winterproofing to offset the added challenges faced by already financially constrained low-income consumers including social housing providers in the current economic climate.

Response:

The following is intended to address all interrogatories submitted by HSC:

Enbridge Gas appreciates HSC taking the time to compile a submission and thanks HSC for its time and feedback in March of this year when the Low Income team was conducting stakeholder outreach to inform the Company's proposed DSM Framework and Plan as filed in this proceeding. The Company is challenged however in addressing HSC's interrogatories as they do not contain any specific requests for clarification of the Company's evidence. The submission instead appears to propose that a number of changes be made to the Company's Application. Enbridge Gas has proposed program offerings that it believes will deliver natural gas savings to customers through a comprehensive portfolio of DSM programs. Enbridge Gas would be happy to respond to any particular questions relating to the DSM Plan and Proposed Framework outlined in evidence however cannot address requests to change the Application.

With respect to Enbridge Gas's budget proposal, the OEB's Letter on December 1, 2020 provided clear direction that it anticipated modest budget increases to be proposed by Enbridge Gas.¹

¹ EB-2019-0003, OEB Letter Post-2020 Natural Gas Demand Side Management Framework (December 1, 2020), p. 3.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe (PP)

Interrogatory

Issue 2

Question(s):

- a) Please confirm that Enbridge has committed to be net-zero by 2050 and provide a copy of that commitment.
- b) Will achieving net-zero for Enbridge require incremental spending and activities beyond what Enbridge is doing today? Please explain.
- c) Is Enbridge on track to meet its commitment to be net-zero?
- d) Please indicate what activities in Ontario are planned by Enbridge to support its net-zero GHG commitment.

Response:

a – d)

Enbridge Inc.'s ("Enbridge") greenhouse gas ("GHG") reduction targets (referred to in the question as Enbridge's commitment to be net-zero) are not relevant and are therefore not within the scope of this proceeding which deals with the proposed DSM framework and multi-year plan of Enbridge Gas for the years 2023 – 2027.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe (PP)

Interrogatory

Issue 2

Question(s):

- a) Is Enbridge aware of any other organizations (private or public) that has committed to net-zero GHG goals? If yes, please provide a list and details.
- b) What role does Enbridge expect DSM to play in helping organizations to reach their net-zero emission goals?

Response:

- a) Other organization's net-zero GHG goals are not relevant or in scope for this proceeding.
- b) Insofar as energy efficiency through DSM programs provides natural gas conservation opportunities for customers in Ontario, Enbridge Gas DSM efforts concurrently help customers in their achievement of GHG emission reduction goals.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe (PP)

Interrogatory

Issue 2

Question(s):

- a) Does Enbridge consider GHG emission reductions a benefits of its DSM programs? Please explain.
- b) Does Enbridge consider customer operational efficiency a benefit of its DSM programs. Please explain.
- c) Are Enbridge's customers heterogeneous and driven by a variety of behavioral decision factors or are they all homogeneous? Please explain.
- d) Do operational efficiency and GHG emission reductions incent some customers to participate in DSM activities? Please explain.

Response:

a - b)

Yes. Both GHG reductions and operational savings are considered benefits and are included in the TRC+ calculation. Enbridge Gas presumes that an explanation is required only in the event that it responded negatively.

- c) Heterogeneous. Enbridge Gas provides service to most of the population of Ontario. Enbridge Gas's customer set is as diverse as that of Ontario which is why Enbridge Gas has proposed largely carrying forward guiding principles from previously OEB approved frameworks in the proposed DSM framework as outlined in Exhibit C, Tab 1, Schedule 1, page 6, including but not exclusively, "DSM plans should be designed to provide opportunities for a broad spectrum of consumer groups and customer needs to encourage widespread customer participation over time."
- d) Yes. Enbridge Gas has many participants over the course of a plan term, in many different sectors of the economy. Some of these participants will be at least partially motivated by either operational savings or GHG reductions or both.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe (PP)

Interrogatory

Issue 2

Question(s):

- a) If Enbridge's request for its 2023-2027 DSM Plan is approved as filed and targets are met at the 100% level for each year, please identify what quantity (m3 and percent) of the potential identified in the Achievable Potential Study¹ will be delivered in aggregate for the years 2023-2027. Please provide calculations.
- b) If Enbridge's request for its 2023-2027 DSM Plan is approved as filed and targets are met at the 100% level for each year, please identify what quantity (m3 and percent) of the potential identified in the Achievable Potential Study² will be delivered in each of those five years. Please provide calculations.
- c) Please provide a budget estimate and related calculations to achieve all cost-effective DSM identified in the 2019 Potential Study.

¹ <http://www.ieso.ca/2019-conservation-achievable-potential-study>

² <http://www.ieso.ca/2019-conservation-achievable-potential-study>

Response:

a - b)

Annual Net M3 (millions)	DSM Plan	2019 APS Sc A	DSM Plan as a % of Sc A	2019 APS Sc C	DSM Plan as a % of Sc C	2019 APS Sc B	DSM Plan as a % of Sc B
2023	106.68	121.20	88%	146.25	73%	311.30	34%
2024	108.88	126.30	86%	161.09	68%	336.02	32%
2025	111.18	132.02	84%	171.80	65%	347.75	32%
2026	113.15	140.93	80%	186.38	61%	357.95	32%
2027	115.42	145.05	80%	193.90	60%	350.34	33%
Total	555.32	665.51	83%	859.42	65%	1,703.35	33%

note - values are **Net Annual M3**

c) Scenario B represents what the 2019 APS submits as the achievable all cost effective scenario. Enbridge Gas is assuming that the request meant to be specific to the years covered off by the DSM plan application, the costs are outlined below.

	2019 APS Sc B
2023	\$ 548,334,885
2024	\$ 611,393,864
2025	\$ 657,088,699
2026	\$ 704,517,499
2027	\$ 723,763,439
Total	\$ 3,245,098,386

note - values are Annual **Net Budgets** (pre-application of a Gross up factor), and not inclusive of Overheads

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe (PP)

Interrogatory

Issue 2

Question(s):

- a) If Enbridge's request for its 2023-2027 DSM Plan is approved as filed and targets are met at the 100% level each year, please identify what quantity (m³ and percent) of the DSM identified in the Ontario Environment Plan³ will be delivered in aggregate for the years 2023-2027. Please provide calculations.
- b) If Enbridge's request for its 2023-2027 DSM Plan is approved as filed and targets are met at the 100% level for each year, please identify what quantity (m³ and percent) of DSM identified in the Ontario Environment Plan⁴ will be delivered in each of those five years. Please provide calculations.
- c) Please provide a budget estimate and related calculations to achieve all DSM identified in the Ontario Environment Plan⁵.

Response:

a - b)

Please see response to Exhibit I.2.EGI.ED.10.

Enbridge Gas cannot estimate GHG Savings from Natural Gas Conservation Assuming 2020 Status Quo Gas Savings Continue to 2030 as explained in the response to Exhibit I.2.EGI.ED.9, Enbridge Gas does not have the information to determine what percent of the 3.2 MT CO₂e is forecast to be attributed to utility delivered natural gas DSM programs.

- c) Enbridge Gas is assuming that the request meant to be specific to the years covered off by the DSM plan application. That being the case, Enbridge Gas does not have access to a breakdown of costs for the Ontario Environment Plan on a year over year basis and therefore cannot respond.

³ <https://www.ontario.ca/page/made-in-ontario-environment-plan>

⁴ <https://www.ontario.ca/page/made-in-ontario-environment-plan>

⁵ <https://www.ontario.ca/page/made-in-ontario-environment-plan>

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe (PP)

Interrogatory

Issue 2

Reference:

Enbridge Gas proposes a five-year DSM Plan that provides for regulatory efficiency and is supportive of government policy but is also flexible to adapt to policy changes that may occur during the plan term.

Question(s):

Please provide a list of all government (municipal, provincial and federal) policy that was assessed in development of the five-year DSM Plan.

Response:

The following provides a list of municipal, provincial, and federal policies/legislation/reports that were considered in the development of the 2023-2027 DSM Plan:

- Made-In-Ontario Environment Plan, Ministry of the Environment, Conservation and Parks
 - Subsequent joint letter on November 29, 2020 by the Ministry of Energy and Ministry of the Environment, Conservation and Parks further reflecting direction outline in the Made-In-Ontario Environment Plan
- 2021-2024 Conservation and Demand Management Framework, Minister of Energy, Northern Development and Mines
- Paving the Road to 2030 and Beyond: Market Transformation Road Map for Energy Efficient Equipment in the Building Sector, Energy and Mines Ministers' Conference 2018 ("NRCan Roadmap")
- Pan-Canadian Framework on Clean Growth and Climate Change, Government of Canada
- Greenhouse Gas Pollution Pricing Act, Government of Canada
- Municipal Energy Plans from municipalities in Enbridge Gas's service territory

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe (PP)

Interrogatory

Issue 2

Reference:

The government intends for approximately \$130 million in ratepayer funded financial support to expand natural gas distribution in Ontario¹. As part of its review the OEB indicated that it expects existing rate-regulated natural gas distributors with DSM programs to offer access to DSM programs to any new natural gas customers.

Question(s):

- a) Please indicate what work Enbridge has undertaken or plans to undertake to ensure that DSM programs are offered to all new customers (prior to selecting new equipment) and that DSM results are maximized.
- b) Please a copy of all policies and procedures that Enbridge has to ensure that DSM in included as an integrated component of planning and execution for all new system expansion projects.
- c) Please provide a copy of all system expansion consumer-facing materials Enbridge uses to highlight a potential customer's ability to leverage energy (or cost) saving from the DSM programs.

Response:

a and c)

Enbridge Gas conducts regular outreach to the contractor community to generate awareness around DSM program offerings available and benefits to customers resulting from participation in DSM programs. Similar efforts are made in new communities connected to Enbridge Gas's system through community expansion programs where Enbridge Gas intends to make informational materials explaining existing DSM programming available. This is done by way of including new connected customers as a target segment for any Residential DSM program campaign offerings.

¹ <https://www.oeb.ca/sites/default/files/ltr-final-guidelines-gas-expansion-20200305.pdf>

Legacy Union Gas had created a welcome package for all new customers. This package included information about customers accounts, billing information, safety and energy conservation programs. The energy conservation content pointed to the Union Gas website for program information and details. At the time of the integration of the two legacy utilities, this material became outdated and is no longer available.

In development is a new digital “Welcome Kit” that will be sent to customers in communities that have connected to Enbridge Gas’s system and will include information on energy efficiency programs and offerings, and energy savings tips and tricks, along with other relevant information such as moving, safety, how to prevent damages and who to call. This will launch in 2022 for newly connected communities.

- b) Enbridge Gas does not have specific DSM policies or procedures for community expansion projects, however part of the marketing communications does include the promotion of energy conservation as stated above. All customers have equal access to DSM program information and incentives through a variety of mass marketing campaigns using a variety of cost effective market channels. This drives information to all customers across the province, including those customers in community expansion areas.