

Elson Advocacy

August 21, 2018

BY COURIER (2 COPIES) AND RESS

Ms. Kirsten Walli

Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700, P.O. Box 2319
Toronto, Ontario M4P 1E4

Dear Ms. Walli:

Re: EB-2017-0127 & EB-2017-0128 – DSM Mid-Term Review

Pursuant to the Board's letter of August 15, 2018, I am writing to provide written comments on the draft stakeholder agenda for the DSM Mid-Term Review on behalf of Environmental Defence and the Green Energy Coalition.

Environmental Defence and the Green Energy Coalition request that another day be added to the stakeholder meeting agenda for stakeholder presentations and discussions. In our view, the planned 45 minutes is insufficient in light of the expertise and knowledge that stakeholders have to contribute and the major interest that stakeholders have in the outcome of this process.

Increased time for stakeholder input could greatly benefit the Board and the outcome of this review. The stakeholders are able put forward experts with decades of knowledge and experience with gas conservation and the utilities' conservation programs. Their input could lead to significant improvements, including much more efficient programs that produce greater net benefits.

For example, Chris Neme of the Energy Futures Group has deep knowledge of Ontario's gas conservation market as well as extensive experience with best practices in leading jurisdictions. Mr. Neme is perfectly situated to provide the kind of high-level input that this process needs. His comments and recommendations could result in significantly increased savings (and lower energy bills) for Ontario gas customers.

Increased time is also warranted because stakeholders have a major interest in the outcome of this review. Collectively, the utilities have achieved over **\$5 billion** in net savings for their consumers through conservation programs.¹ These are audited net benefits, after subtracting the cost of the conservation measures and reducing the gross benefits by an assumed free rider rate.²

¹ Union Exhibit B.ED.22; Enbridge Exhibit I.1.EGDI.ED.22; Transcript vol. 3, p. 133, lns. 5-9.

² OEB, *Filing Guidelines to the 2015-2020 DSM Framework*, p. 26-31.

These benefits have been realized through reduced gas usage and lower energy bills (because \$1 invested in cost-effective conservation programs produces much more than \$1 in reduced energy costs), and the benefits will only increase when federal carbon pricing begins.

Stakeholders have a major interest because they represent the Ontarians who will benefit from lower energy bills, reduced carbon costs, reduced exposure to gas/carbon price risks, and reduced carbon emissions. They also pay for these programs and would benefit from improvements that would increase efficiency and ensure fairness.

Although additional time may entail modest increases in participant cost claims, these costs are very small in comparison to the sums at stake. Enbridge's programs alone are forecast to produce over \$289 million in *net* benefits in 2019 and 2020.³ If those net benefits can be increased by only 10% (e.g. through improved programs, better focus, etc.), consumers of just Enbridge could realize roughly \$30 million in savings. Additional time and resources spent in this review process will most likely be an excellent investment.

Yours truly,

A handwritten signature in blue ink, appearing to read 'K. Elson', is written over a horizontal line.

Kent Elson

Copy: Participants in EB-2017-0127 & EB-2017-0128

³ EB-2015-0049, Ex. B-2-3, pp. 6-7 (TRC-plus benefits in 2019 (\$143,318,911) and 2020 (\$146,079,282). The benefits will be larger with federal carbon pricing.)