

Elson Advocacy

December 20, 2018

BY COURIER (4 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: DSM Proceedings to Implement Ontario's Environment Plan

We are writing on behalf of Environmental Defence to request that the Board move forward with regulatory proceedings to implement the Ontario Government's plan to increase Demand Side Management ("DSM") programs and natural gas savings over the next two years as mandated by the new Environment Plan. In particular, Environmental Defence requests that development of the next Demand Side Management ("DSM") framework be moved forward by a year and slated for completion in the third quarter of 2019.

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. Natural gas is slated to be the second-largest source of all reductions by sector (at 18% of all reductions, or 3.24 Mt CO₂e).¹ Most importantly for DSM scheduling purposes, these expanded programs and incremental savings are planned to begin in 2019 and 2020 (see excerpt from the Environment Plan on the following page).

To comply with the Environment Plan, steps need to be taken now to allow for that expansion in programs and gas savings over 2019 and 2020. For example, the utilities need to begin program development and planning work now in order to ramp up DSM programs as required by the Environment Plan. In addition, the regulatory framework and schedule needs to enable that work.

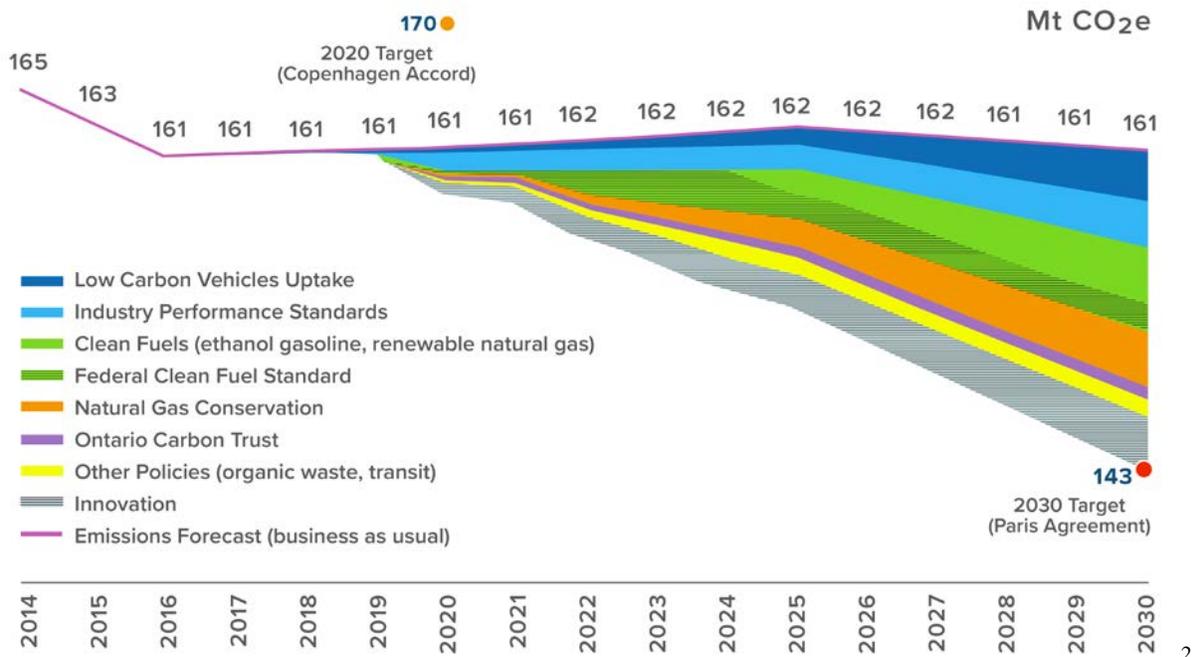
To achieve these goals, Environmental Defence proposes that the development of the next DSM framework be moved forward by a year and slated for completion by the third quarter of 2019. In addition, we ask that the utilities be directed to develop detailed programs and plans to achieve the ramping up mandated by the Environment Plan.

Although it is possible that more detailed directives could be issued by the Ontario Government regarding DSM expansion over the next year, the Board and the utilities will likely be in the best

¹ Ontario, *Preserving and Protecting our Environment for Future Generations: A Made-in-Ontario Environment Plan*, November 29, 2018, p. 24

position to comply with those directives if work begins now. Waiting for further guidance from the government would only delay the inevitable planning needed to comply with the Environment Plan. Clear direction has already been given.

Maintaining status quo until a new DSM framework comes into place in 2021 would be contrary to the clear government policy as set out in the Environment Plan. First, it would conflict with the timing of emissions reductions in the plan. Second, it could make the overall reduction targets unachievable by missing out on two years of the 12-year period from today to 2030. For ease of reference, we have included the following excerpt from the Environment Plan showing significant incremental emissions reductions from natural gas, which begin in 2019 and 2020:



The natural gas sector has a major opportunity to help Ontario meet its emissions targets while saving consumers billions of dollars in avoided gas costs.³ We hope that work can begin now.

Yours truly,

Kent Elson

cc: Participants in the DSM Mid-Term Review

² *Ibid.* p. 23.

³ ICF International, *Natural Gas Conservation Potential Study*, commissioned by the OEB, July 7, 2016 p. 143.