Aiken & Associates
578 McNaughton Ave. West
Chatham, Ontario, N7L 4J6

Phone: (519) 351-8624
Fax: (519) 351-4331
E-mail: raiken@xcelco.on.ca

August 12, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario, M4P 1E4

Dear Ms. Walli:

Re: EB-2009-0154 –Submissions of the Building Owners and Managers Association of the Greater Toronto Area – Enbridge Gas Distribution Inc. 2010 Natural Gas Demand Side Management Plan

Please find attached the submissions of the Building Owners and Managers Association of the Greater Toronto Area in the above noted proceeding.

Sincerely,

Randy Aiken
Aiken & Associates

cc Bonnie Jean Adams, Enbridge Gas Distribution Inc.

EB-2009-0154

IN THE MATTER OF the *Ontario Energy Board Act 1998*, S.O. 1998, c.15, (Schedule B);

AND IN THE MATTER OF an application by Enbridge Gas Distribution Inc. for approval of its 2010 Natural Gas Demand Side Management Plan.

SUBMISSIONS OF THE BUILDING OWNERS AND MANAGERS ASSOCIATION OF THE GREATER TORONTO AREA

I. INTRODUCTION

This is the argument of the Building Owners and Managers Association of the Greater Toronto Area ("BOMA") related to the application of Enbridge Gas Distribution Inc. ("EGD") for an order granting approval of its 2010 Natural Gas Demand Side Management ("DSM") Plan.

The current DSM plan is a 3 year plan that expires on December 31, 2009. The Board initiated EB-2008-0346 to develop guidelines which would be used for the next multi-year DSM framework.

On April 14, 2009, the Board issued a letter directing natural gas distributors to file a one year DSM plan for 2010 and noted that it expected the 2010 DSM plan to file under the current DSM framework. This step was taken in light of the uncertainty related to the Green Energy Act.

On May 13, 2009, the Board issued a letter directing the distributors to remove programs related to low income energy consumers from the 2010 DSM plans. These programs will be addressed through the Low Income Energy Assistance Program Conservation Working Group (EB-2008-0150).

II. CONSISTENCY WITH CURRENT DSM FRAMEWORK

BOMA agrees that with the exceptions noted below EGD has filed a 2010 DSM plan that is based on the existing DSM framework established in EB-2006-0021.

As indicated in the response to an interrogatory from Board Staff (Exhibit I, Tab 1, Schedule 1), EGD has deviated from the existing framework for the reduction of budgets and targets related to the Low Income programs. The Board directed EGD to remove these programs from its 2010 DSM plan in its May 13, 2009 letter. EGD has also deviated from the existing framework by including a supplementary pilot program targeted at industrial customers. Subject to the submissions on this issue below, BOMA accepts this addition.

EGD appears to have used the assumptions from the EB-2008-0346 Navigant Report as the starting point for the 2010 assumptions with some exceptions. BOMA submits that these exceptions should be denied by the Board.

In particular, EGD appears to be using natural gas savings of 146 m^3 as recommended by Navigant Consulting in their Draft Report (Exhibit B, Tab 3, Schedule 3, page 20 of 40). This appears to be confirmed in Exhibit B, Tab 3, Schedule 1, page 7 under the heading of "Alternative Assumptions". The final Navigant Report uses natural gas savings of 53 m^3. EGD has provided no evidence in support of the use of the draft figure over the final figure. In its April 20, 2009 letter related to "Measures and Assumptions for Demand Side Management (DSM) Planning", the Board clearly adopted the Navigant Measures and Input Assumptions Report dated April 16, 2009 for use in the 2010 DSM plans. BOMA submits that the Board should direct EGD to use the figure from this final Navigant Report in EB-2008-0346.

III. MARKET TRANSFORMATION PROGRAM

a) 150% Cap for Individual Metrics

BOMA has reviewed the argument of the Green Energy Coalition ("GEC") dated August 10, 2009 and agrees with their submission on this issue. BOMA believes that is clear that no bonus is applicable to any metric that exceeds the 150% value level. To do so would allow EGD to concentrate on one metric in which it was doing well, at the expense of the other metrics. BOMA submits that this would be counter productive for a market transformation program. In order to transform a market, all facets of the program must be taken into account. Concentration on one area in which the company is doing well could actually negatively impact on the transformation of market. In addition, BOMA notes that the weights selected for the various elements have no value if there is not a cap on the amount that can be claimed. This was clearly not the intent of establishing weights.

The GEC submission indicates that while Union Gas has made it clear that it believes that there is a 150% cap on incentives for any one market transformation metric, EGD does not address this issue for 2010. However, as shown in the response to a BOMA interrogatory (Exhibit I, Tab 2, Schedule 2, part c), EGD states that:

> *"Please note that for 2010, values will be prorated between the metric value levels and extrapolated for values that are outside the levels illustrated in the tables shown in the evidence (e.g. above those shown in the table)."*

BOMA submits that this "extrapolation" above the 150% cap is neither appropriate nor consistent with the current DSM framework and should be denied by the Board. BOMA similarly submits that if EGD fails to meet the 50% minimum for any of the metrics, it should not be able to claim any contribution in its scorecard. An achievement of less than 50% should not be rewarded in any way.

<u>b) Program Targets</u>

i) Home Contractor Program

BOMA is concerned that EGD has set its targets too low for the market transformation associated with Drain Water Heat Recovery ("DWHR") program. These targets are shown in 100% column in Table 5 on page 31 of the 2010 DSM Plan.

The average increase in frequency scores of all weatherization measures is only 0.45 (Exhibit B, Tab 1, Schedule 4, page 4). BOMA submits that this figure should be increased to at least 0.52, which is the average of the actual figures for 2007 and 2008 (Exhibit I, Tab 2, Schedule 3). The Board should discourage the reduction in targets because the company failed to meet their targets in previous years.

BOMA also submits that target of 70 for contractor engagement is significantly too low, following actual results of 68 in 2007 and 242 in 2008, along with a 2009 year end forecast of 70 (Exhibit I, Tab 2, Schedule 3). EGD should not be rewarded with an SSM for its shareholder for essentially maintaining the status quo. After all, the goal is to transform the market, not maintain the market.

Finally, BOMA agrees with the GEC submission that the metric for the contractor training workshop should be eliminated and the associated 20% of weighting be added to the 60% assigned to the ultimate outcomes. However, if the Board determines that this metric should remain, then it should be adjusted upwards to 15, the level achieved in 2008 (Exhibit I, Tab 2, Schedule 3). Again, EGD should not be rewarded for doing less in 2010 than it did in 2008. Transforming a market requires additional effort, not less.

ii) Drain Water Heat Recovery ("DWRH")

EGD has yet to launch its 2009 DWRH program (Exhibit I, Tab 2, Schedule 2), yet the company states that it is their current projection to achieve 100% performance level on each metric. Obviously their 2009 targets were set extremely low if the company believes it can achieve its targets while doing nothing for more than 7 months in a 12 month time frame!

EGD has provided the 2009 targets in the response to a BOMA interrogatory in Exhibit I, Tab 2, Schedule 2. A comparison of the targets with those for 2010 shown on page 6 of Exhibit B, Tab 1, Schedule 4 shows modest increases for some targets and no increase for others from the 2009 targets.

Given the EGD has stated that it expects to meet its 2009 targets with less than 5 months effort, BOMA submits the 2010 targets are significantly too low. A review of the Union

Gas targets is also illuminating when it comes to the EGD targets. For example, EGD has a 2010 target of 17 builders enrolled, despite saying they expect to meet their 2009 target of 12, which is the first year for this program. Union Gas went from 20 in their first year to 51 in their second year (EB-2009-0166, Exhibit B3.5). Clearly the EGD target is too low. BOMA submits that it should be set at 51, the level achieved by Union in the second year of its DWHR program.

EGS expects to install 650 units in 2009, despite doing so over less than 5 months, but has a target of only 1,800 for all of 2010. BOMA submits that this metric should be based on the Union Gas methodology of a percentage calculated based on DWHR installs divided by the number of housing starts in the franchise area. Further, BOMA submits that the target should be much higher, more in line with the 14% target of Union Gas. With a forecast of 21,000 new construction homes in 2010 (Exhibit I, Tab 5, Schedule 2, part (b)), this would total 2,940. This is a more realistic target for EGD.

BOMA also submits that the weighting in the DWHR scorecard should be more in line with that used by Union Gas. In particular, BOMA submits that the builders enrolled should be increased from 10% to 15% and the unit installed from 40% to 55%. The builder knowledge would remain at 15%. The remaining 4 metrics should be replaced with a customer awareness survey with a weighting of 15% and a target the same as Union (i.e. 6 percentage points above a 2009 baseline).

BOMA is concerned that EGD seems to be satisfied with targets for its proposals for the DWHR program that appear to significantly lag those of Union Gas. Lagging behind Union Gas will not help transform the market. EGD's shareholder should not profit from the utility for being a laggard. Neither should EGD ratepayers reward EGD for this.

IV. NEW 2010 INDUSTRIAL SECTOR SUPPORT PROGRAMS

BOMA supports the GEC submissions on this matter. In particular, BOMA submits that the Board should make it clear to EGD no savings or TRC net benefits arising from measures installed in 2010 in the facilities covered by these pilots should be included in the company's TRC net benefits calculation.

V. NEW ASSUMPTIONS AND 2008 AUDITOR RECOMMENDATIONS

BOMA supports the submissions of GEC on both New Assumptions and on the 2008 Auditor recommendations and will not repeat them here.

VI. BEYOND 2010

As noted earlier, the current Board approved DSM plan is a 3 year plan that expires at the end of 2009. The 2010 plan is an extension of the 3 year plan that is due to the uncertainty created by the Green Energy Act.

BOMA submits that the Board should not adopt any further extension BEYOND 2010 to the 3 year plan that came out of the DSM Generic Proceeding (EB-2006-0021). The Decision in that proceeding was released in August, 2006. Much has changed since then with respect to conservation in the province. There is now wide spread public expectation that governments and businesses alike should promote energy conservation as part of their normal course of business. BOMA submits that the level of budgets, the level of SSM (if any), and the type of energy conservation measures undertaken should be reviewed in detail as part of a generic hearing as soon as possible and certainly no later than to implement effective programs for the beginning of 2011.

VII. COSTS

BOMA requests that it be awarded 100% of their reasonably incurred costs of participating in this proceeding.

All of which is respectfully submitted this 12th day of August, 2009.

Randall E. Aiken

Randall E. Aiken

Consultant to
Building Owners and Managers Association of the Greater Toronto Area