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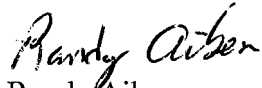
Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario, M4P 1E4

Dear Ms. Walli:

**Re: EB-2009-0154 –Submissions of BOMA – Enbridge Gas Distribution Inc. 2010
Natural Gas Demand Side Management Plan – Low Income**

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.

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 Low-Income Natural Gas Demand Side Management (“DSM”) Plan.

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 were to be addressed through the Low Income Energy Assistance Program Conservation Working Group (EB-2008-0150).

On September 28, 2009 the Minister of Energy and Infrastructure advised the Board of the government’s plan to develop a province-wide integrated program for low-income energy consumers. The Minister requested that the Board not proceed to implement new support programs for low-income energy consumers in advance of a ministerial direction.

In its letter of September 28, 2009 the board requested that Union Gas and Enbridge Gas Distribution file their low-income DSM based on the existing DSM framework established in the DSM Generic Proceeding Decision (EB-2006-0021).

II. CONSISTENCY WITH CURRENT DSM FRAMEWORK

EGD has filed a 2010 low-income DSM plan that is based on the existing DSM framework established in EB-2006-0021, with the exception noted below. In particular, the 2010 low-income DSM budget is \$1,666,980 which includes \$140,000 from the Market Transformation budget (Phase II, Exhibit D, Tab 1, Schedule 1, page 2). BOMA submits that EGD has filed a 2010 Low-Income DSM plan that is based on the existing DSM framework established in EB-2006-0021.

The exception noted above is an additional \$1.4 million for 200 solar thermal water heaters to be installed in social housing units at a reduced cost. BOMA submits that this expenditure should be denied by the Board as it does not provide low-income customers with the best value for their money.

III. MOST EFFECTIVE USE OF LIMITED RESOURCES

As shown in Table 1 of Phase II, Exhibit D, Tab 1, Schedule 1, the proposed inclusion of this expenditure increases the total O&M budget by 84%. Even if EGD is able to offset the additional cost by \$0.5 million for the government incentives that it may obtain, the increase in the total O&M is still a significant 54%.

The solar thermal water heater is projected to save 379 m³. For the proposed 200 units, this totals 75,800 m³. Again in reference to Table 1, this incremental saving is around 8.5%. BOMA submits that an incremental savings of 8.5% for an incremental O&M cost (assuming government incentives offset a portion of the O&M costs) of 54% is not appropriate.

When asked by an intervenor in the EB-2009-0166 proceeding why they did not consider the installation of solar thermal water heaters in social housing units as part of their 2010 low-income DSM plan, Union Gas indicated that it believed that the most effective way to provide low-income customers with significant energy savings was through building envelope upgrades, including basement insulation, wall insulation, attic insulation and draft-proofing measures. Union further indicated that with a limited budget in place for

low-income programming, it was in the best interest of low-income customers to allocate these dollars towards building envelop upgrades (Exhibit C4.1 in EB-2009-0166).

EGD proposes to proceed with the solar thermal water heating program even though it has a negative Total Resource Cost (TRC) as indicated in the response at Exhibit I, Tab 1, Schedule 1 of Phase II. In that same response, EGD indicates that the low-income weatherization program results in greater net benefits from a TRC perspective than the proposed solar thermal water heater program. This confirms Union's analysis.

EGD, however, states that their objective with the solar thermal water heater program is to pilot a more market transformation-based renewable energy program for the low-income sector (Phase II, Exhibit D, Tab 1, Schedule 1, page 3). EGD then goes on to list a number of objectives, the last of which is to provide low-income customers with an opportunity to advance the province's "green energy" goals through their adoption of renewable energy technology. BOMA finds this curious. EGD seems to be saying the low-income customers should help the province, rather than try and save even more energy (and costs) if the \$1.4 million were to be spent on weatherization and/or the enhanced TAPS programs. This \$1.4 million would nearly double the amount currently proposed to be spent on these programs that deliver significantly higher savings to low-income customers.

BOMA also finds it interesting that EGD wishes to increase the demand for this renewable technology through installations and raised awareness. In another proceeding, EGD has made it clear to parties that the company is not prepared to pursue solar thermal water heating technology unless it is able to include any investment as part of its regulated operations. The following paragraphs are taken from the November 13, 2009 letter to the Board in regards to the 2010 Rate Adjustment (EB-2009-0172):

"A second Green Energy Initiative that Enbridge plans to pursue in 2010 is solar thermal water heating technology. This involves attaching a solar thermal unit to a natural gas water heater, to increase its efficiency. The solar unit will provide more than half of the required water heating, so that less natural gas is required in total. The natural gas savings will be substantial, as seen in the following example. Assuming that a current

house needs 60 units of hot water, then it would require 100 units of natural gas to achieve this (assuming that current natural gas water heaters are 60% efficient). If a solar thermal unit was attached to the water heater, then 36 of the 60 units of hot water would come from the sun through the solar panels and the other 24 units would require only 40 units of natural gas. Therefore, as seen in the chart below, the energy efficiency would move from 60% in the conventional case to 150% with the adoption of the solar panel.

Enbridge's role with this new technology would be as an enabler, to take steps to encourage its adoption by interested customers. The September 8, 2009 Minister's Directive permits this type of activity, which involves "assets required in respect of the provision of services by Enbridge .. that would assist the Government of Ontario in achieving its goals in energy conservation, including assets related to solar-thermal water". Given the negative impact that the use of this technology would have on Enbridge's system load, the Company is not prepared to pursue this opportunity unless it is able to include any investment as part of its regulated operations." (emphasis added)

BOMA submits that the inclusion in the 2010 low-income DSM plan of the solar thermal water heater program is more about including investments in its regulated operations than transforming the market or helping low-income customers.

In summary, BOMA submits that the expenditure of \$1.4 million (or \$0.9 million) on the solar thermal water heating program is an ineffective use of resources. BOMA has no objection if EGD wishes to spend the additional funds (whether \$1.4 or \$0.9 million) on programs that are tried and true and provide real and immediate savings to low-income customers.

IV. 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 17th day of November, 2009.



Randall E. Aiken
Consultant to
Building Owners and Managers Association of the Greater Toronto Area