



# **ONTARIO ENERGY BOARD**

## **STAFF SUBMISSION**

2010 Low-Income Demand Side Management Plan

Enbridge Gas Distribution Inc.  
Board File Number EB-2009-0154

**November 20, 2009**

## **BOARD STAFF SUBMISSION**

Enbridge Gas Distribution Inc. (the “Applicant” or “Enbridge”) filed an application dated October 15, 2009 for approval of its 2010 Low-Income Demand Side Management (“DSM”) plan pursuant to the Board’s direction dated September 28, 2009. In the Board’s correspondence, it directed Enbridge to file a low-income DSM plan for 2010 based on the existing DSM framework, including increases based on the established budgets escalators.

Based on Board Staff’s review of the pre-filed evidence, interrogatories and subsequent interrogatory responses, it appears that Enbridge’s plan is consistent with the existing DSM framework, with the exception of its proposal for the inclusion of an additional \$1.4 million for 200 solar thermal water heaters to be installed in social housing units at a reduced cost.

Board Staff submits that the manner in which Enbridge proposes to use these resources is not the most prudent and appropriate way to either transform the market or deliver effective DSM programming to the low-income participant.

In Enbridge’s response to Board Staff interrogatory 1(e) at Exhibit 1, Tab 1, Schedule 1, Page 3 of 3, Enbridge confirms that the low-income weatherization program results in greater net benefits from a TRC perspective than the proposed solar thermal program. This is consistent with the view put forward by Union Gas in its interrogatory responses at Exhibit C4.1, that the most effective way to provide low-income customers with significant energy savings is through building envelope programs.

Board Staff submits that when developing programs targeted at the low-income customer, it is in the best interest of the participant that the program provide realized energy savings rather than the prospective of possibly transforming the market. The low-income weatherization program would achieve this objective. In addition, the low-income weatherization programs provide other benefits to low-income consumers such as improving comfort in the house and achieving space heating and cooling savings. Further, it is not clear to staff why Enbridge would use low-income consumers to transform the market for a technology that could have benefits for a much broader group of customers, in particular, those with higher incomes.

It is Staff's opinion that when developing a program in hopes of transforming the market, the ideal program design is to foster a relationship with retailers, contractors and distributors in order to have products displayed and promoted more broadly. By also providing incentives to consumers that can afford to make the purchase of the new technology, it increases the likelihood that the market will be transformed in the long run. Enbridge's proposal to install solar thermal water heaters to social housing units does not seem to be properly designed to effectively achieve the goal of transforming the market. Board Staff submits that Enbridge appears to be proposing to direct a significant amount of funds towards a program that will have a very limited effect on transforming the market and that will not provide the greatest possible savings to the low-income participant.

On November 24, 2009, as a preliminary matter to be considered at the outset of Enbridge's 2010 IRM application (EB-2009-0172), the Board will hear argument on whether Enbridge's Green Energy Initiatives, which include solar power projects, fall within the Board's ratemaking authority and should be considered part of the utility's regulated operations (the "preliminary motion"). The Board will be addressing various jurisdictional issues surrounding the Green Energy Initiatives described in Enbridge's rate application, the associated costs, assets and revenues that accompany these initiatives, and specifically whether those costs, assets and revenues should form part of rate base. Board Staff submits that the issue of whether the proposed solar thermal water heating program should form part of its 2010 low-income DSM plan should be considered after the preliminary motion has been determined.

Should the panel choose to proceed and to consider the inclusion of the proposed solar thermal water heating program in Enbridge's low-income DSM plan, Board staff submits the solar heating program should not be included for the reasons noted above.

All of which is respectfully submitted