



PUBLIC INTEREST ADVOCACY CENTRE

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November 20, 2009

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, ON
M4P 1E4

Dear Ms. Walli

**Re: EB-2009-0154
Enbridge Gas Distribution Inc. Demand Side Management Phase II
Low Income DSM Plan
Comments of the Vulnerable Energy Consumers Coalition (VECC)**

These are the comments of VECC in the above noted proceeding.

Low Income DSM Plan 2010 Status Quo Budget

Exhibit I Tab 8 Schedule 1 Page 2 Part a) shows that 2010 Base/ Status Quo Low Income Budget (excluding the SHSC Solar Water Heating initiative) conforms to the Board's direction at 14% of the total Residential Budget.

However, we suggest that this is a retrograde step and in fact the referenced schedule shows that the budget has been reduced from 18% of the residential DSM budget in 2009. More critically, the number of LI participants is reduced, while implementation costs have increased due to inflation. Although there is an increase in the number of weatherization participants, which is consistent with the LI Working Group Report, the number of participants in the enhanced TAPs program goes down by 500 with a corresponding reduction in overall gas savings.

The conclusion VECC draws is that EGDI's 2010 LI program overall is smaller than 2009 in terms of participants and VECC suggests this result is not appropriate, especially given the fact that it is very likely that more families and Seniors will have

been pushed below the LICO income level (or the 135% of LICO used for eligibility) as a result of the current economic climate.

VECC also notes that Union's proposed 2010 base/status quo budget is now larger than EGDI's.

Pending the receipt of the Government's direction on Low Income DSM, the Board should consider requiring EGDI to either reinstate the 2010 budget to 18% of the residential budget or increase the participants in enhanced TAPs to 3300 in order to achieve a reasonable penetration of the Low Income customer base.

SHSC Solar Water Heating Initiative

VECC supports this initiative as a Pilot/Demonstration Project. However we have concerns about the proposal for gross budgeting this program and use of the DSMVA to collect and disburse the government rebates.

These concerns are twofold:

(i) The eligibility for rebates should be determined with certainty in advance, because without such rebates we question the cost effectiveness of the program relative to other measures such as an expanded SHSC Weatherization Program.

(ii) If the Government's direction regarding LI DSM is received mid-year 2010, then VECC relies on EGDI's assurances (Exhibit I Tab 8 Schedule 1Page 2 Part d)) that it will "ramp up" its 2010 program as quickly as possible. Extra in-house and contractor resources will be needed, and if gross dollars have been spent on the Solar Water Heating Program this could impact the speed at which incremental resources can be mobilized within the constraints of the 2010 DSM Y factor. In other words availability of funds for ramping up the program should not be contingent on, or await the collection of government rebates.

Accordingly VECC would like EGDI to comment on its ability to "ramp up" its 2010 program spending in response to the anticipated government direction. VECC also suggests that, as a condition of approval of the SHSC Solar Pilot Program, EGDI be required to redirect the government rebates to the enhancement of the SHSC Weatherization Program once the government's direction regarding Gas DSM has been received.

Yours truly,

Original signed

Michael Buonaguro
Counsel for VECC