GREEN ENERGY COALITION RESPONSE TO

BOARD STAFF

INTERROGATORY #1

QUESTION:

REF: Exhibit L.EGD.GEC.2, page 8, Table 3

GEC provides a table of gas savings as a percentage of sales and compares EGD to other leaders across North America.

Please provide a table, similar to Table 3, which shows the total gas savings in total volumes (m^3) as a result of DSM as opposed to a percentage of annual sales.

RESPONSE:

The table is provided below as requested. Please note that any Program Administrator's ability to capture savings is directly related to the size of its eligible market, which is why the savings as a percent of sales, as provided in testimony, is a better representation of the savings that Enbridge could procure in the GTA. If anything, all other things being equal, one might expect savings to be easier to acquire and/or less expensive (per m^3 acquired) in larger service territories because of greater economies of scale.

Annual Incremental savings (10^3m^3)

	Enbridge		**Leading Jurisdictions**				
Year	System-Wide	GTA	Questar (UT)	Interstate Power & Light (IA)	Vermont Gas Systems (VT)	Xcel (MN)	National Grid (MA)
2007	91,921	44,122	5,762	n.a.	2,228	25,159	n.a.
2008	80,285	38,537	12,127	7,233	2,786	17,362	n.a.
2009	69,857	33,531	30,759	12,581	1,785	18,976	21,577
2010	65,625	31,500	18,597	10,119	2,326	19,746	16,666
2011	77,252	37,081	12,991	11,136	3,145	21,156	27,872
2012	61,863	29,694	13,541	n.a.	2,113	21,721	42,733

GREEN ENERGY COALITION RESPONSE TO

BOARD STAFF

INTERROGATORY #2

QUESTION:

REF: Exhibit L.EGD.GEC.2, page 12, Table 5

GEC provides a table of incremental annual achievable savings potential across all sectors in the Greater Toronto Area.

a) Please provide annual DSM cost estimates that would be needed to meet the potential incremental annual achievable savings outlined in Table 5.
b) Please discuss the increase in market penetration (i.e. increase in participants) that would be needed to achieve the potential incremental annual achievable savings outlined in Table 5.

RESPONSE:

a) As stated in response to CCC Interrogatory #7, EFG did not develop specific proposals regarding program designs and budgets. That level of effort was outside our scope of work for this proceeding. Rather, we focused our evidence on a "top-down" assessment of the level of additional savings that Enbridge could achieve in the GTA, both in aggregate and for the residential sector. That high level assessment demonstrated that Enbridge has significant additional, untapped, cost-effective efficiency potential (over and above what it is currently capturing annually) that it could acquire in the GTA.

That said, one could potentially look to the experience of some of the other leading jurisdictions to get a sense of the magnitude of increased DSM costs. Three of the other jurisdictions we referenced in our testimony (Vermont Gas, Xcel and Interstate Power and Light) are achieving savings at a cost of roughly $0.60 to $1.00 per first year m3. That is roughly 2 to 2.5 times what Enbridge is currently paying for savings today. If those benchmarks were appropriate, the cost of achieving the savings we have estimated for the GTA would be on the order of $20 to $40 million more in 2014 ramping up to $40 to $70 million more per year in 2016 and beyond. Much of that increase would be associated with larger financial incentives to customers to invest in efficiency.

Needless to say, a more detailed analysis than we have done would be necessary to determine whether those values were applicable to the Enbridge context. Further, it is worth emphasizing that our analysis focused on the entire GTA. If Enbridge were able to concentrate its efforts in

the area served by the Don Valley pipelines (referred to as the "peach area" during the technical conference) the additional costs could be proportionally reduced. For example, if load reductions were only really needed in 30% of the GTA, then the additional costs of expanded DSM efforts could be only 30% of those we have estimated (assuming similar percentages of load reductions were needed from similar customer mixes).

In any case, it would be important to compare the total costs of expanded efficiency to all of the societal benefits of such investments, including but not limited to the potential benefits of deferring a portion of the pipeline project. As we have noted in our evidence, the additional savings we are forecasting should be very cost-effective, providing substantial benefits to ratepayers.

b) Again, EFG has not undertaken a bottoms up plan for Enbridge. As a result, other than for the residential sector, we have not developed estimates of the number of customers that would need to be treated to acquire the savings we forecast. In the residential sector we note in our testimony that Enbridge is planning to perform whole house retrofits on approximately 1700 homes system-wide in 2013 (including both low income and non-low income customers). Roughly half of those might be in the GTA. As shown in Table 4 of our evidence, we forecast that the Company could achieve market penetrations in the GTA of approximately 4500 homes in 2014, 9000 homes in 2015 and more than 13,000 homes each year thereafter. By way of comparison, the federal/provincial EcoEnergy Program had on the order of 170,000 participants province-wide in its peak year (2010-2011). In the non-residential sectors, the increase in savings would likely need to come from a combination of more participants and deeper savings (i.e. less cream-skimming) per participant. One would need to develop a DSM plan from the "bottom up" to determine the ideal program mix and the number of participants that would imply.