Fogler, Rubinoff LLP Lawyers

77 King Street West Suite 3000, PO Box 95 TD Centre North Tower Toronto, ON M5K IG8 t: 416.864.9700 | f: 416.941.8852

foglers.com

June 27, 2019

Reply To: Thomas Brett Direct Dial: 416.941.8861 E-mail: tbrett@foglers.com Our File No. 192379

VIA RESS, EMAIL AND COURIER

Ontario Energy Board 2300 Yonge Street 27th Floor Toronto, Ontario M4P 1E4

Attention: Kirsten Walli

Board Secretary

Dear Ms. Walli:

EB-2019-0003: Post-2020 Natural Gas Demand Side Management Framework Re:

Please find attached BOMA's Written Comments.

Yours truly,

FOGLER, RUBINOFF LLP

Thomas Brett

TB/dd Encls.

All Parties (via e-mail) cc:

Jon Brott por

Post-2020 Natural Gas Demand-Side Management Framework

Commentary and Recommendations from Building Owners and Managers Association, Greater Toronto ("BOMA")

June 27, 2019

Tom Brett
Fogler, Rubinoff LLP
77 King Street West, Suite 3000
P.O. Box 95, TD Centre North Tower
Toronto, ON M5K 1G8
Counsel for BOMA

1. Background

- a. BOMA and its members have always supported strong action on climate change mitigation, including through deep reductions in natural gas consumption by buildings.
- b. We are seeking the greatest possible level of cost-effective energy, emissions and utility cost savings to owners, including avoidance of transmission and distribution infrastructure costs to help keep rates down.
- c. BOMA was a co-sponsor in 2009 of REALpac's 20 by '15 energy target and strongly supports data-driven programming using benchmarking and rational energy targets to determine achievable conservation potential, identify high-potential buildings and direct owners to where savings are to be found.
- d. BOMA was a supporter of the original CivicAction Race to Reduce, which proved the effectiveness of collaborative action by commercial building owners in delivering substantial energy savings. We are now running the ongoing program ourselves. We look to the new Framework to support such coordinated programming across all commercial building segments.
- e. The new Framework should support needs-based programming which engages and enables all building owners to achieve and sustain high levels of energy efficiency and utility cost savings across their portfolios.
- f. We are looking for evidence that DSM investments are producing and effectively incentivizing deep and real savings measured at the meter.
- g. Between now and when the current 2015-2020 DSM Framework expires on December 31st, 2020 we are looking for documentation of actual reductions achieved by the commercial sector over the past 5 years, profiles of the most efficient buildings and most successful owners and clarity of lessons learned and how they will inform the post-2020 Framework.
- h. BOMA is pleased to submit its commentary and recommendations on the three issues which make up Phase 1 of this development.

2. Goals and Objectives

a. Ensure continuity of support for energy efficiency without market interruptions and loss of momentum during this transitional period.

- b. Drive absolute reductions in gas use and GHG emissions through replacement of traditional assumptions and calculations with measurement and verification of real savings at the meter.
- c. Support sustained efficiency improvements by requiring ongoing monitoring and reporting on actual savings over time (multiple years) rather than estimated measure lives.
- d. Support reductions in owners' overall utility expenditures by integrating natural gas, electricity and water saving programs.
- e. Focus conservation efforts on high-potential buildings where the largest share of the achievable savings is to be found.

3. Guiding Principles

BOMA agrees with the Principles laid out in the 2014-2020 Framework, with some additions and adjustments of emphasis as follows:

- a. Set annual targets and budgets to maximize natural gas reductions in each year and over the 5-year planning term.
- b. Require collaboration and joint programming with the IESO to maximize overall utility cost savings.
- c. Support and incentivize multi-year, pay-for-performance programming which drives deep savings in high-potential buildings through successive projects and operational improvements which reach rational, building specific high-performance targets.
- d. Support wide-scale, multi-year collaborative sectoral programs based on actual savings achieved at the meter.
- e. Bias the shareholder incentive towards savings measured at the meter and multiyear monitoring and verification.
- f. Support research into high-performance buildings and successful owners to document and disseminate best management, operational and retrofit practices.

4. Scope

a. The 2015-2020 Framework appears to support the Guiding Principles articulated above and BOMA is not recommending major revision.

- b. In-depth research into lessons learned over the term of the current framework with respect to actual gas conservation achieved will inform future frameworks and program design.
- c. Program evaluation should be based primarily on actual gas savings achieved at the meter and the strategic role (including management and technical support and education) played by the gas company.