

Sent by Email

June 12, 2020

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

Attention: Christine Long, Board Secretary

Dear Ms. Long:

**Re: Board File No. EB-2019-0271 – Enbridge Gas Inc. 2021 DSM Plans
OSEA Written Submissions**

On November 27, 2019, the Board received an application from Enbridge Gas Inc. (“Enbridge Gas”) for an order approving Enbridge Gas’s 2021 DSM plans.

The Ontario Sustainable Energy Association (“OSEA”) is pleased to provide its written submissions on the application. OSEA’s submissions are enclosed and have been filed on RESS.

Yours truly,



Raeya Jackiw

cc: Dan Goldberger, OSEA
Kerry Lakatos-Hayward, NewEnergyCustomer

Encl.

Document #: 1761431

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B), as amended

AND IN THE MATTER OF an application by Enbridge Gas Inc. for an order or orders pursuant to section 36(1) of the *Ontario Energy Board Act, 1998*, extending the approved 2020 Demand Side Management Plan for one year into 2021 and approving the 2021 Demand Side Management Plan

WRITTEN SUBMISSION OF ONTARIO SUSTAINABLE ENERGY ASSOCIATION

June 12, 2020

I. OVERVIEW

1 On November 27, 2019, Enbridge Gas Inc. (“Enbridge Gas”) filed an application for its 2021 Demand Side (DSM”) Plans.¹ Enbridge Gas requested that the Ontario Energy Board (“OEB”)

- (a) issue an extension of its current 2015-2020 DSM Framework for one year (effective January 1, 2021 to December 31, 2021);
- (b) issue an Order extending its previously approved 2020 DSM Plans for one year into 2021; and,

¹ EB-2019-0271, Enbridge Gas Inc. Application re 2021 DSM Plans (November 27, 2019).

- (c) approve the proposed 2021 DSM Plans as filed.²

II. OSEA'S POSITION

2 The Ontario Sustainable Energy Association (“OSEA”) is mindful that the OEB provided direction that in consideration of Enbridge Gas’ application, the Board does not expect material changes to programs nor an increase in the DSM budget for 2021.

Rather, “the OEB expects that submissions from parties should be directed to the best alignment of Enbridge Gas’ resources and effort available within the existing plan in order to maximize results in 2021 consistent with the Board’s Decision on the 2015-2020 Multi-year DSM Plans.”³

3 With the Board’s direction in mind, OSEA is generally supportive of Enbridge Gas’ request to roll over the DSM Program to 2021. However, OSEA also submits that this is an opportunity for the OEB to allow Enbridge Gas flexibility within the existing DSM budget and programs to better promote conservation while responding to the unique circumstances of 2020 and likely 2021.

4 OSEA requests that the Board consider:

- (a) requiring Enbridge Gas, in light of the impact of COVID-19, to provide a revised estimate for 2020 and forecast for 2021 as soon as practical, to update information for the Post-2020 Framework Consultation;
- (b) encouraging Enbridge Gas to continue efforts to adapt program delivery to deal with impacts of COVID-19, and providing for the consideration of

² EB-2019-0271, Enbridge Gas Inc. Argument in Chief (May 25, 2020) at pg. 2.

³ EB-2019-0271, Procedural Order 1 dated February 24, 2020.

appropriate program targets as part of the Post-2020 Framework Consultation;

- (c) encouraging Enbridge Gas to utilize the flexible spending mechanisms within the DSMVA to fund shovel-ready projects and programs and focus 2021 programming on: (a) municipal energy plans, (b) research on sustainable heating technologies, and (c) benchmarking;
- (d) requiring Enbridge Gas to report on customer participation numbers to evaluate the success of Enbridge Gas' efforts to increase customer participation and identify areas for improvement;
- (e) requiring Enbridge Gas to meet obligations under the Environment Plan to implement voluntary RNG options for customers; and
- (f) expediting the consultation on the Post-2020 DSM Framework (EB-2019-0003).

III. THE IMPACT OF COVID-19

5 OSEA recognizes the unprecedented and unique challenges COVID-19 has caused to program planning and implementation. Enbridge Gas has noted that it has suspended operation of most customer facing interactions across its portfolio of program offerings, while continuing efforts to acquire potential participants through remote or electronic means and prepare for a return to full program delivery.⁴

⁴ EB-2019-0271, Enbridge Gas Responses to Interrogatories, Exhibit I.SEC.16; EB-2019-0271, Enbridge Gas Inc. Argument in Chief (May 25, 2020) at para 29-30.

6 Notwithstanding the uncertainties that lead Enbridge Gas to believe that it may be speculative at this time to forecast or predict the impact of the COVID-19 pandemic, OSEA believes that it would be prudent for the Board to require Enbridge Gas to provide a revised estimate for 2020 and forecast for 2021 as soon as practical, in order to appropriately update information for the Post-2020 Framework Consultation.

IV. 2021 PROGRAM TARGETS

7 A number of intervenors have raised valid questions on appropriate program targets, particularly for the Home Efficiency Rebate (“HER”) program, where Enbridge Gas has consistently exceeded program targets.⁵ As well, there is a need to broadly rethink the approach to some low-income programs given their limited effectiveness.⁶

8 However, due to the current market uncertainty, OSEA believes it would be most appropriate that these relevant questions be given priority as part of the Post-2020 Framework Consultation. In the meantime, OSEA requests that the Board encourage Enbridge Gas to continue efforts to adapt program delivery to deal with impacts of COVID-19. Enbridge, could, for example, employ greater use of virtual audits and explore the use of innovative new technologies.⁷

V. APPROPRIATE USE OF DSMVA FOR 2021

9 OSEA notes that the current 2015-2020 DSM Framework and OEB-approved DSM Plans do not allow for shareholders to benefit from cost efficiencies, including the

⁵ EB-2019-0271, SEC Interrogatory 16, CCC Interrogatory 2, and Enbridge Gas Inc. Argument in Chief (May 25, 2020) at para 27.

⁶ EB-2019-0271, LIEN Interrogatory 2.

⁷ EB-2019-0271, ED Interrogatory 4.

staff reductions associated with amalgamation;⁸ rather, net cost efficiencies are dealt with through the DSMVA or redirected to support program funding. In addition, the Framework allows Enbridge Gas to reallocate funds between programs within prescribed parameters and to spend up to 15% above the OEB-approved annual DSM budget by means of the DSMVA.

10 There is a need to support a clean energy recovery via investment in “shovel-ready” projects. OSEA requests that the Board encourage Enbridge Gas to (i) work with all levels of government to identify existing energy efficiency programs and projects that could be quickly ramped up to help customers reduce both their energy bills and GHG-emissions; and, (ii) utilize the flexible spending mechanisms within the DSMVA to exceed spending by up to 15% in order to fund these shovel-ready projects and programs.

11 In addition, OSEA submits that the OEB should encourage Enbridge Gas to focus 2021 programming via DSMVA funding on three priority areas: (a) municipal energy plans, (b) research on sustainable heating technologies, and (c) benchmarking. Since Enbridge Gas is focusing less on forward-facing programs during COVID-19, OSEA submits that there is an opportunity to re-allocate existing resources to work on these priority areas in 2021.

A. MUNICIPAL ENERGY PLANS

12 Enbridge Gas’ resources have been increasingly engaged in Municipal Energy Plans, as numerous Municipalities have declared Climate Change Emergencies and

⁸ EB-2019-0271, Enbridge Response to Interrogatories, Exhibit I.STAFF.4.

have requested utility assistance to help drive energy conservation.⁹ Enbridge Gas has established a dedicated team to work with regional municipalities through energy conservation benchmarking efforts and providing technical assistance, with the common objective of driving natural gas savings by leveraging DSM energy efficiency programming.¹⁰

13 OSEA requests that the Board encourage Enbridge Gas to continue to work with municipalities with energy management plans to reduce energy usage and GHG emissions, which helps to achieve the goals of the DSM program. OSEA requests that the Board require Enbridge Gas to file a report as part of the Post-2020 Framework Consultation updating the Board on results of its partnering efforts with municipalities and the IESO. The report should include a proposal for a Community Energy Planning Market Transformation Initiative.

B. RESEARCH ON SUSTAINABLE HEATING TECHNOLOGIES

14 Air-source heat pumps and residential geothermal systems offer significant DSM potential when replacing low to mid efficient natural gas furnaces.¹¹ Enbridge Gas has indicated that it continues to research heat pumps and examine how to drive market adoption.¹² Enbridge Gas has also noted that it is working with a number of industry partners to evaluate the challenges and barriers that currently exist in sustainable technology markets with a view to creating a potential future market transformation offering for heat pumps.

⁹ EB-2019-0271, Enbridge Response to Interrogatories, Exhibit I.PP.4.

¹⁰ EB-2019-0271, Enbridge Response to Interrogatories, Exhibit I.OSEA.5 and Exhibit I.Staff.4.

¹¹ EB-2019-0159, Exhibit A Tab 13, Page 21.

¹² EB-2019-0271, Enbridge Response to Interrogatories, Exhibit I.OSEA.5.

15 The *Pan-Canadian Framework on Clean Growth and Climate Change* emphasizes the importance of market transformation.¹³ The report from the 2018 Minister's Conference, *Paving the Road to 2030 and Beyond: Market transformation road maps for energy efficient equipment in the building sector*, sets out a plan for market adoption of next-generation clean technologies, and emphasizes the leading role of utilities in facilitating market transformation.¹⁴

16 OSEA supports Enbridge Gas' efforts to develop an offering for heat pumps. OSEA requests that the Board encourage Enbridge to continue to work with industry partners to support emerging technology adoption, and conduct pilot programs and demonstrations to evaluate new technologies and their impact on local utility grids.

17 OSEA requests that the Board require Enbridge Gas, as part of the Post-2020 Framework Consultation, to file an update on its research efforts on geothermal systems and air source heat pumps, including a proposal for a market transformation offering for heat pumps.

C. BENCHMARKING

18 During this proceeding, OSEA asked Enbridge Gas what plans Enbridge Gas was considering for making use of Ontario's public sector energy and water database in DSM planning and program implementation in 2020 and 2021. Enbridge Gas responded that it has been participating in pilot programs to explore the use of benchmarking (which uses the public energy database) to support customers in

¹³ Pan-Canadian Framework on Clean Growth and Climate Change dated 2016, retrieved from: <http://publications.gc.ca/site/eng/9.828774/publication.html>.

¹⁴ Energy and Mines Ministers' Conference, *Paving the Road to 2030 and Beyond: Market transformation road map for energy efficient equipment in the building sector* dated August 2018, retrieved from: <https://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/emmc/pdf/2018/en/18-00072-nrcan-road-map-eng.pdf>.

reducing energy usage. Enbridge Gas indicated that it was looking to incorporate natural gas consumption benchmarking into energy conservation efforts in 2020.¹⁵

19 OSEA requests that the Board encourage Enbridge Gas to incorporate natural gas consumption benchmarking into energy conservation efforts. Benchmarking would assist Enbridge Gas in evaluating energy conservation performance, and identifying areas for improvement and best practices.

VI. CUSTOMER PARTICIPATION

20 OSEA asked Enbridge Gas how it has designed its DSM programs so that they achieve high customer participation levels, with examples of results and participation numbers achieved over the 2015-2020 period. Enbridge Gas provided an overview of its initiatives for increasing customer participation including efforts to address knowledge gaps, provide installation services and support, provide incentives, and extend DSM participation to groups who may have been previously ineligible.¹⁶ Enbridge Gas did not provide participation numbers.

21 OSEA supports Enbridge Gas' efforts to achieve higher customer participation levels. However, OSEA requests that the Board require Enbridge Gas to report on participation numbers for the purposes of evaluating the success of Enbridge Gas' initiatives and areas for improvement.

¹⁵ EB-2019-0271, Enbridge Response to Interrogatories, Exhibit I.OSEA.5, Question a.

¹⁶ EB-2019-0271, Enbridge Response to Interrogatories, Exhibit I.OSEA.6.

VII. VOLUNTARY RNG

22 Ontario's Environment Plan states that the Ontario Government will require natural gas utilities to implement a voluntary RNG option for customers, and to reduce GHG emissions to 143 megatonnes by 2030 by facilitating incremental increases in natural gas savings and encouraging uptake of RNG. Enbridge Gas is developing a voluntary RNG program to be made available to customers in 2021.¹⁷ OSEA requests that the Board require Enbridge to meet obligations under the Environment Plan to implement voluntary RNG options for customers.

VIII. POST 2020 FRAMEWORK CONSULTATIVE

23 In a letter dated September 16, 2019, the OEB announced that it is undertaking a comprehensive review of the Post-2020 DSM Policy Framework for Natural Gas Distributors.¹⁸ Enbridge Gas has previously expressed its concern that:

“...[t]he current DSM framework and DSM plans took about two years to develop and receive a Decision and Order from the Board, consuming considerable time and resources of the Utilities and Stakeholders.”¹⁹

24 OSEA is concerned that even assuming that the OEB approves Enbridge Gas' application to extend Enbridge's DSM programs through to the end of 2021, there are now only 18 months until the start of 2022 and the risk of additional delays may limit the ability of all parties to develop a robust Post 2020 DSM Framework. As such, OSEA urges the Board to expedite the consultation on the Post-2020 DSM Framework for Natural Gas Distributors.

¹⁷ EB-2019-0271, Enbridge Response to Interrogatories, Exhibit I.OSEA.8.

¹⁸ EB-2019-0003, OEB Letter Post-2020 Natural Gas Demand Side Management Framework (September 16, 2019), Page 2.

¹⁹ EB-2019-0271, Enbridge Argument-in-Chief (May 25, 2020), Para 5.

IX. CONCLUSION

25 OSEA is generally supportive of Enbridge Gas' request to roll over the DSM Program to 2021. OSEA asks that the Board approve Enbridge's application, with additional direction and requirements to promote conservation while responding to the unique circumstances of 2020. Specifically, OSEA requests that the Board consider:

- (a) requiring Enbridge Gas to provide a revised estimate for 2020 and forecast for 2021;
- (b) encouraging Enbridge Gas to continue efforts to adapt program delivery to deal with impacts of COVID-19, and providing for the consideration of appropriate program targets;
- (c) encouraging Enbridge Gas to utilize the flexible spending mechanisms within the DSMVA to fund shovel-ready projects and programs and focus 2021 programming on: (a) municipal energy plans, (b) research on sustainable heating technologies, and (c) benchmarking;
- (d) requiring Enbridge Gas to report on customer participation numbers to evaluate the success of Enbridge Gas' efforts to increase customer participation and identify areas for improvement;
- (e) requiring Enbridge Gas to meet obligations under the Environment Plan to implement voluntary RNG options for customers; and
- (f) expediting the consultation on the Post-2020 DSM Framework.