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June 26, 2020

BY RESS AND EMAIL

Ms. Christine Long
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Long:

Re: Enbridge Gas Inc. (Enbridge Gas)
Ontario Energy Board File No.: EB-2019-0271
2021 DSM Plans
Reply Submission

In accordance with Procedural Order No. 4 dated June 1, 2020, enclosed please find Enbridge Gas's reply submission in the above noted proceeding.

The above noted submission has been filed electronically through the OEB's RESS and will be made available on Enbridge Gas's website at:
https://www.enbridgegas.com/Regulatory-Proceedings

If you have any questions, please contact the undersigned.

Sincerely,

Adam Stiers

Digitally signed by Adam Stiers
Date: 2020.06.26 11:29:39 -04'00'

Adam Stiers
Technical Manager, Regulatory Applications

cc.: D. O'Leary (Aird & Berlis)
J. Wasylyk (OEB Staff)
M. Millar (OEB Counsel)
EB-2019-0271 Intervenors

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. 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 2015-2020 Demand Side Management Framework for one year into 2021 and approving the 2021 Demand Side Management Plans.

ENBRIDGE GAS INC.

2021 DSM PLANS

REPLY ARGUMENT

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Introduction

1. In accordance with the Ontario Energy Board ("OEB") or ("Board") Procedural Order No. 4, this is the Reply Argument ("Reply") of Enbridge Gas Inc. ("Enbridge Gas" or the "Company") in response to the arguments filed by the parties to this proceeding.[1]

2. The following 17 parties made submissions in respect of this Application: Board Staff ("Staff"), APPrO, BOMA, CCC, CME, Environmental Defence ("ED"), Energy Probe ("EP"), FRPO, GEC, IGUA, LIEN, LPMA, OGVG, OSEA, Pollution Probe ("PP"), SEC, and VECC.

3. Before turning to the specific submissions and requests made by Staff and Intervenors, it is appropriate to first note that neither Staff nor any Intervenor opposes the Board approving the requested rollover of the 2020 DSM Plans ("2020 DSM Plans") into 2021. While several parties have requested various changes for 2021, which Enbridge Gas will respond to in greater detail below, as a general matter, all Intervenors and Staff support the rollover generally as proposed by Enbridge Gas. In some instances, Intervenors support the rollover as filed.[2] SEC was most clear in this regard, stating at page 2 of its submission that:

> Many parties may propose changes to the current DSM programs for 2021, either to expand DSM penetration and results, or to reduce DSM spending. As a general matter, SEC believes that the Board

[1] Enbridge Gas Inc. was formed by the amalgamation of Enbridge Gas Distribution Inc. ("EGD") and Union Gas Limited ("Union") on January 1, 2019 pursuant to the Ontario Business Corporations Act, R.S.O. 1990, c. B. 16. Enbridge Gas carries on the business of distributing, transmitting and storing natural gas within Ontario.
[2] Intervenors that support the proposed rollover as filed include: Staff (subject to GEC's HER suggestions), BOMA, CME, FRPO, GEC (subject to issues in respect of the HER program offering), IGUA, LIEN, LPMA, OSEA, SEC, and VECC.

should reject most of those proposed changes and stick to a rollover that is as simple and clear as possible.

4. Second, a number of Intervenors have submitted that the Board should issue orders, directives or "encouragement" to Enbridge Gas in respect of matters that relate to the current 2020 DSM Plans approved by the Board in EB-2015-0029/0049, the Post-2020 DSM Framework proceeding (EB-2019-0003) ("Post 2020 Framework") and the Integrated Resource Planning Proposal proceeding (EB-2020-0091) ("IRP Proceeding"). As Procedural Order No. 1 issued by the Board in this proceeding makes clear, the only matters which are currently before the Board in this proceeding relate to the proposed rollover of the approved 2020 DSM Plans into 2021 and the extension of the current 2015-2020 Framework for one additional year.[3] Enbridge Gas submits that requests for any Board relief in respect of the Post 2020 Framework, the IRP Proceeding or material changes to the current 2020 DSM Plan are out of scope. Enbridge Gas does not intend to respond to these requests specifically.

5. Enbridge Gas should make it clear at the outset that it does not require encouragement from the Board to engage with appropriate stakeholders and third-party partners/contractors for the purposes of discussing ways to improve program offerings and to market these more

[3] EB-2019-0271, OEB Procedural Order No. 1 (February 24, 2020), specifically states, "The OEB will proceed by way of a written hearing. The OEB announced that it is undertaking a comprehensive review of the DSM policy framework in a letter dated September 16, 2019. As a result, the OEB does not expect material changes to the programs and no increase to the overall DSM budget to take place during the transition period from the current OEB-approved DSM plans. In light of the on-going policy consultation, parties are expected to focus their participation during this proceeding on ensuring that the OEB's previously-approved 2020 DSM plans will continue to deliver cost effective savings in 2021, consistent with the OEB's January 20, 2016 Decision and Order and DSM Mid-Term Report. 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.
Parties will continue to have the opportunity to provide input and feedback on any new policy objectives, program changes and all other facets of the new DSM framework as part of the ongoing consultation. The OEB is mindful of the costs and resources required to thoroughly review, critique and make material changes to the currently approved DSM plans and agrees with Enbridge Gas that resources are best directed to the policy consultation."

effectively and broadly to increase participation rates. This includes the partnering with or support for “shovel ready” energy efficiency projects with Municipalities and other entities as advocated by OSEA.[4] If such projects are consistent with the approved 2021 DSM Plans and 2015-2020 DSM Framework, the Company will reasonably consider them. As well, Enbridge Gas welcomes suggestions and new ideas directly from interested parties.

6. As the DSM program manager and entity accountable to the Board for its DSM activities and results, Enbridge Gas must have the flexibility to design and implement program offerings as it considers best consistent with the current 2015-2020 DSM Framework and principles articulated by the Board. The Board echoed its support for Enbridge Gas’s independence in this regard little more than a year ago in its Decision and Order in Enbridge Gas’s 2016 DSM Deferral and Variance Account Disposition proceeding (dated April 11, 2019) where, in the context of budget reallocation guidelines, the Board reiterated its focus on maximizing scorecard achievement while maintaining an appropriate level of oversight. It is noteworthy that the Board specifically stated that, “The OEB sees no benefit in micro-managing the utility DSM offerings and would expect a significant increase in costs and delay in program delivery if it attempted to do so.”[5]

7. While Enbridge Gas will not reference every out of scope request made, it believes that it is appropriate to identify some of the requests made generally. These include:

(1) Requests that the Board require or encourage changes to current program offerings and/or increase partnering with various entities and/or new entities during the 2020

[4] EB-2019-0271, OSEA Written Submission (June 12, 2020), p. 5.
[5] EB-2018-0300/EB-2018-0301, OEB Decision and Order (April 11, 2019), p. 10.

program year.[6] This proceeding does not deal with the currently approved 2020 DSM Plan.

(2) Requests that the Board require Enbridge Gas to provide updates on current 2020 program offerings (including participant numbers) during the 2020 program year for use in the post 2020 DSM Framework proceeding (leaving aside issues relating to the impacts of the ongoing COVID-19 pandemic which are dealt with specifically in the Reply below).[7] This proceeding does not include matters relating to the Post 2020 Framework proceeding.

(3) Requests that the Board order Enbridge Gas to undertake, as part of its DSM activities, natural gas expansion activities and to develop geo-targeted plans in respect of expansion communities.[8] This proceeding does not include matters relating to community expansion.

(4) Requesting that the Board interpret and require Enbridge Gas to apply interpretations of the Provinces Environment Plan to the current DSM year and/or 2021.[9] This is a matter for the Post 2020 Framework proceeding.

(5) Requests that the Board order an assessment and gap analysis of program enhancements based on the 2019 Achievable Potential Study (APS).[10] This is a matter for the Post 2020 Framework proceeding.

(6) Requests that the Board order a review of the Evaluation Advisory Committee ("EAC") and related processes in 2021.[11] PP articulated this request similarly during OEB Staff's January 29, 2020 Phase 2 Stakeholder Meeting on the Post 2020 Framework. While Enbridge Gas remains supportive of a detailed review of the issues raised by parties at that meeting regarding the EAC (lack of transparency, efficiency, protocols and guidelines) this is a matter which is appropriate for the Post 2020 Framework proceeding, not this application.

8. Enbridge Gas submits that these requests and the others made which relate to matters that do not deal with the rollover of the approved 2020 DSM Plans into 2021 and the extension of the current 2015-2020 DSM Framework are out of scope. These requests can and should be made in the other applicable proceedings. It should be understood that by Enbridge Gas

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[6] EB-2019-0271, LIEN Written Submission (June 12, 2020), p. 4.
[7] EB-2019-0271, OSEA Written Submission (June 12, 2020), p. 4; and EB-2019-0271, VECC Written Submission (June 12, 2020), p. 2.
[8] EB-2019-0271, PP Written Submission (June 12, 2020), pp. 8-10.
[9] EB-2019-0271, ED Written Submission (June 11, 2020), p. 6; and EB-2019-0271, OSEA Written Submission (June 12, 2020), p. 3.
[10] EB-2019-0271, PP Written Submission (June 12, 2020), p. 11.
[11] Ibid, pp. 10-12.

taking the position that these requests should be dealt with in the other proceedings, it does not necessarily imply that Enbridge Gas either favours or disfavours the requests being made. These are simply issues to be addressed at another time and in another proceeding.

9. Enbridge Gas now turns to specific submissions made in this proceeding.

COVID-19 Pandemic-Related Matters

10. Enbridge Gas addressed in its evidence and Argument in Chief the impact of the current COVID-19 pandemic on its DSM activities, noting that it had discontinued personal interfacing with DSM participants, for the time being, but that it was attempting to operate in a virtual setting.[12] There is nothing more important than the health and safety of our customers, our business partners and our employees. As the province continues to move into advanced phases of re-opening, Enbridge Gas will have an increasing opportunity to deal with prospective and actual DSM participants, subject of course to appropriate physical distancing and associated safety protocols.

11. For example, based on the recent announcement from the Government of Ontario that outlines the Phase 1 re-opening of non-essential businesses, in-home energy assessments for the Home Efficiency Rebate and Home Winterproofing program offerings have commenced as of June 15, 2020. The balance of the Company's program offerings are in various stages of more fully operating. Enbridge Gas is currently reaching out to both business and residential customers through various communication channels to provide details regarding the evolving status of programs, and information has been provided on

[12] EB-2019-0271, Enbridge Gas Interrogatory Responses, Exhibit I.SEC.16 (April 6, 2020); and EB-2019-0271, Enbridge Gas Argument in Chief (May 25, 2020), pp. 11-12.

the utility's website in this regard.[13] Accordingly, Enbridge Gas remains optimistic that it will be able to successfully undertake steps to "catch up" and make up for time lost during the provincial shutdown. This being said, the success of Enbridge Gas's 2020 DSM activities is not based solely upon its actions but will, to some degree, also depend upon the economy generally and the willingness of DSM participants to invest time and resources in DSM projects during these continuing uncertain times.

12. Some parties including Staff have requested that the Board order Enbridge Gas to provide year to date ("YTD") updates both in 2020 and in 2021, on a quarterly or mid-year basis, on its DSM spending, participation levels and any concerns Enbridge Gas may have regarding its ability to deliver its approved DSM Plan.[14] While Enbridge Gas understands that the requests for such information are driven by the unique circumstances in which we are in, Enbridge Gas has concerns about these requests for several reasons.

13. First, the Company would be required to devote considerable employee resources to provide YTD updates. Ensuring that all of the data is accurate, properly presented and vetted is a time consuming and costly activity. For example, the average time commitment to generate annual reports is estimated to be well over a thousand (1,000) hours. Providing a YTD report is estimated to require more than six hundred (600) hours. If required quarterly, the time required would be four-fold in 2021. It is important that the Board fully appreciate and acknowledge in its decision, that directing such reporting will significantly add to the overhead costs incurred by Enbridge Gas in 2020 and 2021. This will avoid parties taking the position in future 2020 and 2021 DSM deferral and variance account

[13] https://enbridgesmartsavings.com/Home-Efficiency-Rebate/covid-19-update.aspx
[14] EB-2019-0271, Staff Written Submission (June 12, 2020), p. 3, specifically requests quarterly YTD updates.

clearance proceedings that such costs were not prudent. As well, the provision of YTD results, will require DSM staff to direct their attention to matters other than advancing the success of DSM activities and maximization of scorecard achievements.

14. Second, no party has stated what benefit such quarterly or mid-year YTD filings would be to the Board. If the provision of such data is intended solely for informational purposes, it should be recalled that the Company is already required to generate comprehensive annual reports following the conclusion of each DSM programming year (which the Board has posted publicly) and to file deferral and variance account clearance applications with the Board with detailed supporting data. Given that Enbridge Gas is already obligated to provide detailed information about its DSM programming activities, the question that arises is, what is the anticipated benefit to the Board of this information being assembled and released on a quarterly or mid-year basis?

15. If Intervenors are proposing that the quarterly or mid-year data be used to make requests to the Board to order changes at the program offering level or to increase or decrease budget/targets and or the shareholder incentives, then this will require formal hearings and the devotion of a considerable amount of additional time to matters that will undoubtedly take months to complete. There is little possibility that any hearing to consider changes to the approved 2021 DSM Plan, even if commenced in Q1 of 2021, could be completed in time for any Board order requiring changes to be implemented on a timely basis during the balance of the program year. As well, the threat of the Board holding further hearings into the presumably already approved 2021 DSM Plans at some point in 2021 adds a significant degree of uncertainty to the Company's DSM activities, including work on the Post 2020

Framework and/or subsequent multi-year DSM Plans. This will negatively impact prospective DSM participants and DSM program managers and support staff.

16. Third, it's important to recognize that the shareholder does not benefit from any decrease in DSM spending both in terms of program costs and overheads. Consistent with the current 2015-2020 DSM Framework and Guidelines to the same, any underspending relative to the amounts included in OEB-approved rates, based on OEB-approved DSM budgets (2021 proposed to be identical to 2020), is returned to ratepayers together with interest following an annual deferral and variance account clearance proceeding.[15] Accordingly, Enbridge Gas sees no advantage of filing quarterly or mid-year YTD data if it is the intent of Intervenors to seek an order returning unspent monies earlier than what otherwise would be the case. The costs of such an incremental proceeding will actually erode the ultimate benefit to ratepayers of the return of unspent funds.

17. Enbridge Gas therefore questions the efficacy and cost of providing YTD quarterly or mid-year data in respect of either the 2020 or 2021 program years. However, Enbridge Gas does acknowledge the general concern that parties have regarding the impacts of the COVID-19 pandemic. Enbridge Gas is therefore prepared, on a voluntary basis, to provide the Board with a Q3 forecast update in October 2020 and a mid-term forecast update in July 2021; Appendix A to this submission contains Forecast Reporting Templates proposed by Enbridge Gas for this purpose. Enbridge Gas submits that a forecast update is preferable to YTD results as it will include known and forecast participants for the balance of the year. While a forecast update is still a significant undertaking, it is estimated to require a

[15] EB-2019-0271, Enbridge Gas Interrogatory Responses, Exhibit I.STAFF.4, (April 6, 2020); and EB-2019-0271, Enbridge Gas Interrogatory Response, Exhibit I.CME.2 c), pp. 2-3.

far more reasonable amount of resources, at approximately three hundred (300) hours, compared to a YTD results report (estimated at more than 600 hours). Just as YTD gas sales by the Company at the end of Q2 is no predictor of total gas sales at year-end, YTD results cannot be considered an accurate indicator of final DSM program year results as they will necessarily exclude participants that are in the "pipeline" but not yet eligible to be counted. Despite the fact that this proceeding does not technically deal with the approved 2020 DSM Plans, Enbridge Gas voluntarily agrees to file the Q3 update for 2020. No Order from the Board is required.

Home Efficiency Rebate ("HER") Program Offering

18. Staff and several parties that had an opportunity to review GEC's submission prior to filing, support the Board ordering changes to the HER program offering. Before turning specifically to GEC's request, certain facts about this program offering, which several parties did not appear to appreciate, should be highlighted.

19. Historically, to be eligible under the program, in addition to agreeing to complete a pre and post energy audit, participants were required to install a minimum of two eligible measures. Where a furnace was included as one of the eligible measures, for the purposes of calculating project savings, Enbridge Gas applied an adjustment (reduction) to the claimed savings to reflect a 90% AFUE baseline furnace. As is prudent, and commensurate with Enbridge Gas's practice of continuing to review the appropriate specifics of program offerings in relation to evolving market conditions, in response to Amendment 15 to the

federal Energy Efficiency Regulations Enbridge Gas updated the program offering.[16] Effective January 1, 2020 Enbridge Gas modified (made more challenging) the previous Board-approved program offering. Where HER projects include a furnace upgrade installed after January 1, 2020, the homeowner must now complete at least two additional eligible measures.

20. As well, for projects undertaken effective January 1, 2020 the incentive payable on the installation of a furnace with an efficiently rating of higher than 95% was reduced to $500. GEC (and others) are mistaken in the belief that an incentive of $750 is offered in respect of the replacement of a furnace with a rating above 95%.

21. Enbridge Gas intended to review the $500 incentive currently applied to a high efficiency furnace upgrade again at the end of Q1 2020, as program managers continued to work to move the focus of the program offering to other measures. However, due to the impacts of the COVID-19 pandemic, including the suspension of program delivery, this change has not yet occurred. As Enbridge Gas works to get the program restarted, its intention is to further reduce the $500 furnace incentive in line with incremental costs, as planned, by September 2020.

22. There is also an incentive available to all HER participants which is intended to drive the implementation of more measures. In all cases (with all combination of measures) there is a "bonus" $250 incentive payable to the customer for completing a third measure. This is

[16] The federal government set the new minimum standard for residential gas furnaces at 95% AFUE. Effective December 12, 2019, any product with a date of manufacture after July 3, 2019, must meet the 95% AFUE level. As an example, after December 12, 2019, a 90% AFUE furnace that was manufactured on August 2nd cannot be shipped into the country or across provincial borders for the purpose of sale or lease.

true whether the customer decides to undertake for example, attic insulation upgrades and air sealing as the first two measures, or whether they are looking to complete a furnace upgrade and attic insulation. In both cases they are eligible for a $250 bonus if they complete a third measure as part of the project. This is done in an effort to leverage this opportunity and encourage more upgrades in the home than might otherwise have been completed.

23. In its submission dated April 24, 2020 on the GEC motion in this proceeding, Enbridge Gas stated the following at pages 9 and 10:

> There is no current residential offering that solely incents a furnace replacement. In the case of the Company's current Home Efficiency Rebate ("HER") program offering, where a residential retrofit audit includes the recommendation of a furnace replacement, to be eligible for the program, and qualify for incentives, the participant is required to also undertake at least two other material home efficiency upgrades (this was not the case previously). These upgrades can be very costly for the homeowner, but are critical elements of the program offering to ensure that it remains cost effective and to ensure that the overall program results continue to drive significant gas savings. The Company's objective is that the aggregate of all of the homes participating in the program offering achieve, on average, at least a 15% reduction in annual natural gas use as determined through a pre and post energy assessment comparison. The goal which should not be lost is not the replacement of a furnace but rather the implementation of multiple measures of energy conservation upgrades. Looking solely at the difference between the more efficient furnace and the 95% efficiency rating is not an appropriate measure of the success of this program. Based on Enbridge Gas' experience, when a customer is replacing their furnace it is an opportune time to promote the additional envelope improvements that can drive savings that might not otherwise occur.
>
> Second, residential customers often have gas furnaces which operate well beyond their stated life expectancies. The objective of the program is to encourage residential customers to replace what may be completely functioning lower efficiency furnaces with furnaces with a higher efficiency than mandated by regulation. In other

> words, the program incents people to replace their existing furnace earlier than they might otherwise have done so, and to install a furnace with a higher efficiency rating than that required by regulation and, most importantly, to capitalize on this retrofit opportunity by additionally undertaking deeper energy efficiency home upgrades.

24. As discussed, and in addition to the statement quoted above, it is also important to recognize that a further change was already made; the baseline for replacement furnaces has already been amended from 90 to 95% at the beginning of the 2020 DSM program year. This new baseline is used for the purposes of adjusting and claiming the overall project gas savings generated by participants in the HER program offering, wherever a furnace is upgraded after January 1, 2020. Accordingly, no further adjustment is necessary, as Enbridge Gas has already implemented the suggestion.

25. Among the Board identified priorities of DSM articulated in the current 2015-2020 DSM Framework is the following:

> Ensure that programs take a holistic-approach and identify and target all energy saving opportunities throughout a customer's home or business.[17]

26. As such, the primary approach to promote energy efficiency in the residential market, as outlined and approved by the Board in the 2015-2020 DSM Plans decision was with the respective whole home energy retrofit plans of the utilities (EGD and Union). As outlined in Union's 2015-2020 DSM Plan submission, "The principal objective of this offering is to provide a holistic approach to Residential home retrofits by offering customers rebates

[17] EB-2014-0134, OEB Report of the Board Demand Side Management Framework for Natural Gas Distributors (2015-2020) (December 22, 2014), p. 26.

towards their home energy audits, insulation upgrades and their heating/water heating systems."[18]

27. Contrary to the inferences made by GEC and Staff, Enbridge Gas is not actively promoting a furnace replacement program. The HER is a whole home efficiency program. Beginning with the home audit, the program seeks to identify all gas savings opportunities in the home and, effective 2020, requires a minimum of two measures beyond a furnace replacement to be eligible. Importantly, m^3 gas savings claimed are calculated based on an adjustment reflecting a 95% AFUE furnace where a furnace replacement is part of the project.

28. As a result of the above changes, the concerns expressed by GEC (and others that support it) are simply incorrect. GEC submitted that it would be inappropriate for the company to be able to earn shareholder incentives based on either (A) promotion of a product whose efficiency is only marginally better than the minimum a customer could buy; or (B) for participants that do replace a furnace, an estimate of gas savings that is not real because it is based on old product efficiency standards rather than current minimum requirements.[19] As confirmed above, neither is the case. The Company recognized, given the amendment to the minimum performance efficiency standards for furnaces, that appropriate changes to the program offering were required. Various revisions were weighed and considered, those selected were felt to be both appropriate and most likely to enhance the marketing of the program offering and the generation of broader savings throughout the home.

[18] EB-2015-0029 Union Gas Limited Application (April 1, 2015), Exhibit A, Tab 1, p. 9.
[19] EB-2019-0271, GEC Written Submission (June 10, 2020), p. 4.

29. The goal, which should not be lost, is not the replacement of a furnace but rather the implementation of the other multiple measures (a minimum of two) energy conservation upgrades that the whole home approach is seeking to promote. The furnace, which is the primary point of gas consumption in homes, and has importance and visibility to the homeowner, often provides a key opportunity to promote the value of the home audit and incent the owner to undertake other much more challenging, disruptive and costly envelope upgrades in the home. In these cases, the customer's interest in a measure which may on its own be not cost-effective is the key to persuading the customer to install a package of measures that are cost-effective in aggregate. The approach to including the non-cost-effective measure (the furnace) as part of a package is the key to leading the project to greater overall benefits through the execution of the deeper, long term envelope improvements. This concept is acknowledged in the National Standard Practice Manual for Energy Efficiency:

> A customer's interest in a non-cost-effective measure may be key to persuading the customer to install a package of measures that are cost-effective in aggregate. In such cases, the flexibility to promote the non-cost-effective measure as part of a package will lead to greater overall net benefits.[20]

30. The HER program offering provides a whole building view of energy use for the customer and illustrates the opportunity to achieve an overall gas savings reduction through a home energy audit by implementing a number of measures in combination.

31. The HER program still maintains the requirement of achieving average savings across all participants of at least 15% for the purposes of qualifying towards the residential

[20] National Standard Practice Manual for Assessing Cost-Effectiveness of Energy Efficiency Resources, The National Efficiency Screening Project (May 18, 2017), p. 85.

participant metric. This is an ongoing requirement under the HER program offering and one which GEC specifically supports in its submission.[21] Enbridge Gas submits that with the changes made to the HER program offering, the purpose and objectives of what GEC proposes have already been achieved. The program offering will continue to generate natural gas savings which are claimed based upon the new baseline.

32. Enbridge Gas believes the current HER program offering is similar in key material respects to what GEC proposes. This being said, Enbridge Gas accepts that the current details of how the HER program offering is structured are not identical to the proposal made by GEC. Specifically, GEC asks the Board to modify the current requirement for multiple "major measures" to either (a) multiple major measures, not including furnace replacement or (b) a single major measure with at least 7.5% savings. Enbridge Gas notes that the current HER program offering has already addressed what GEC proposes at (a) in that it now requires multiple major measures (at least two) in addition to the furnace.

33. In respect of GEC's proposal to add (b), a single measure with at least 7.5% savings, while this may be something that Enbridge Gas is prepared to consider in future, it is appropriate to first consider the impact of adding this option on the existing requirement (which GEC supports) that the HER program offering generate on average savings of 15%. Implementing (b) might have an impact on the Company's ability to achieve the 15% average. This concern warrants the Board refusing to order that the Company implement (b) alone or as an alternative to what it is currently doing.

[21] EB-2019-0271, GEC Written Submission (June 10, 2020), p. 8.

34. Enbridge Gas does not believe that it is necessary or appropriate for the Board to order the changes proposed by GEC to the HER program offering. As noted by SEC in its submission at pages 3-4, it is appropriate for Enbridge Gas as the DSM program manager to adjust its program offerings to reflect changes in circumstances like the increase in the minimum efficiency rating for furnaces to 95%. For this reason, SEC does not support the Board ordering what GEC proposes, believing that the Company has sufficient flexibility to make appropriate changes. Enbridge Gas submits that this is exactly what it has done. It has responded to the new regulatory requirement and adjusted the requirements and incentives under the HER program offering.

35. In the end, Enbridge Gas notes that there is very little dissimilarity between the HER program offerings' current requirements and what GEC proposes. Given this, Enbridge Gas submits that GEC's proposed changes amount to micro-management at the detailed program offering measure level. This should not be welcomed as it will only set a precedent for other parties to also propose 'tinkering' changes to individual program offerings. This will only lengthen and increase the costs of future DSM Plan proceedings.

36. While it is not totally clear if certain parties are arguing that the replacement of a furnace to a standard higher than 95% should remain an eligible measure or whether furnace replacements and the associated incremental gas savings should be totally excluded, the Board should be aware of the possible consequences of eliminating furnaces from the HER program offering. Such a change would require a major reworking of the partners which Enbridge Gas works with to identify prospective customers for the program offering. This could prove quite detrimental. It is also unclear what the impact would be on prospective participants that are told that a furnace upgrade is not eligible. The fact is that upgrades

which include furnaces add to the bill savings that customers will enjoy relative to their current situation. These demonstrable savings are an important marketing tool and act as an incentive for the customer to undertake additional measures. It is the belief of the HER program offering managers, who did consider the impact of removing furnace upgrades altogether, that based upon experience and communications with customers, removing furnaces as an eligible measure would not be a prudent course of action.

37. Enbridge Gas notes that in its submission Staff agrees that furnace replacements should remain eligible under the HER program offering. Staff further noted the importance of providing a financial incentive for furnace replacements as it can lead to a general discussion about home energy efficiency and the potential for other upgrades. Staff also noted that for most home-owners, the furnace is the largest source of natural gas energy costs.[22]

38. The Company further submits that it is not appropriate to "prescriptively" attempt to isolate m^3 savings to each measure where a number of (minimum of three) measures are completed including furnace upgrades. By design, the HER is a whole home offering and NRCAN's HOT2000 software is used to calculate the overall (combined) m^3 savings calculation across all measures undertaken including interactive effects. This whole home savings concept is what underlies the objective that all parties still subscribe to, namely, that the program offering generates an overall average of 15% gas savings for customers. This goal is reflected in the residential participant metric included in the Resource Acquisition scorecards approved by the Board for each of the EGD and Union rate zones' plans.

[22] EB-2019-0271, Staff Written Submission (June 12, 2020), p. 6.

39. For the purpose of determining the number of participants counted toward the participant metric, as outlined in Union's Board-approved 2015-2020 DSM Plan submission,

> The aggregate of all of the homes counted must achieve, on average, at least a 15% reduction in annual natural gas use, comparing the results of the D Assessment to the results of the E Assessment. D and E Assessment savings will be based on Natural Resource Canada's energy rating software.[23]

40. As outlined in the EnerGuide software Technical Procedures manual, NRCAN requires that all Certified Energy Advisors/auditors using the EnerGuide software model the home based on the elements that are present in the home (e.g. the mechanical and home insulation specifications that were present in the home at the time of the pre-retrofit audit (the "D" assessment) and similarly to reflect the upgraded mechanical and home insulation specifications that are present in the home when the post-retrofit audit (the "E" assessment) is completed after the upgrades have been implemented.

41. The home energy report that is produced for the resident/customer includes an EnerGuide rating and provides the ability to compare the gas consumption before the project and after the project – to allow a clear understanding for the customer of the relative improvement achieved compared to the pre-existing features of the home. The HER program offering is marketed to customers with the aim of achieving a 15% improvement in their gas consumption. Customers do not understand the concept of adjusted baselines, they do however understand a percentage improvement in their consumption and therefore their energy bill as a result of undertaking energy efficiency improvements to their home.

[23] EB-2015-0029, Union Gas Application (April 1, 2015), Exhibit A, Tab 3, Appendix A, p. 16.

42. For the purpose of counting participants toward the scorecard participant metric, the Company does not believe it is appropriate to apply any baseline adjustment. Though claimed m^3 savings are already adjusted based on the 95% AFUE standard, how participants are counted toward the participant metric should not be affected by the new furnace standard.

43. Finally, GEC requests that the Board establish a new participant target based on the mid-point between the number of counted participants in 2018 and what the 2018 count would have been had heating system replacements not been allowed to count towards the minimum of two major measures. GEC makes this request based upon its belief that other changes discussed above are needed. The fact is that appropriate changes, as outlined above, have already been made to the HER program offering and thus there is no need nor basis to go further and consider adjusting targets in a manner that departs from the direction previously provided by the Board which was re-confirmed in the Board's Mid-Term Report.[24] Enbridge Gas submits that under the circumstances, the Board need not even consider GEC's proposed target adjustments. However, in the interest of being comprehensive, Enbridge Gas feels compelled to identify its concerns with respect to these requests.

44. First, given that the program offering in 2018 was not the same program offering as it is in 2020, it's not clear why 2018 data should be used as the base to set new targets. This data reflects results from the program offering based on different eligibility requirements and different incentives. If, as Staff states, furnace replacements to a standard higher than 95%

[24] EB-2017-0127/EB-2017-0128, Report of the OEB: Mid-Term Review of the Demand Side Management (DSM) Framework for Natural Gas Distributors (2015-2020) (November 29, 2018), p. 23.

should remain an eligible measure, why then should the new target be based on a methodology that looks at participant levels that exclude furnace replacements. This is simply illogical.

45. It should also be recalled that in 2018, the HER program offerings were enhanced through a major partnership which provided the opportunity to expand the offerings and significantly increase participation at that time. With the support of the Government of Ontario through the Green Investment Fund ("GIF"), Enbridge Gas was able to undertake marketing and promotions of home efficiency upgrades including furnace replacements to a much different degree than currently in 2020 or as anticipated in 2021.

46. EP appears to propose yet another method by which targets should be set for the HER program offering for 2021, based on a historic rolling average of 2017, 2018 and 2019 achievement.[25] Again, given the substantial evolution of the program offering and the program changes detailed above that have resulted in a more demanding program eligibility criteria, Enbridge Gas submits that EP's proposal is also not an appropriate approach.

47. It should be recalled that in its January 2016 Decision on the current 2015-2020 DSM Plans, the Board required the establishment of a formulaic target adjustment mechanism ("TAM") which provided a method to establish targets across all scorecards and program offerings continually for the duration of the current 2015-2020 DSM Framework. Further, as outlined in the Board's Mid-Term Review Report, in its re-examining of the TAM for Resource Acquisition programs, including the HER program offering, the Board did not

[25] EB-2019-0217, EP Written Submission (June 3, 2020), p. 3.

find it appropriate to make any changes to the TAM formula and the resulting approach to determine year over year targets.

48. Both GEC and EP have proposed distinct 2021 targets contrary to the Board's TAM direction, however, none of the parties indicating support of GEC's target proposal (specifically GEC, ED and Staff) nor EP in the other case, have explained why it is appropriate to circumvent the TAM and only adjust the target for one program offering and not others. None have taken the appropriate step of specifically articulating the reason why the TAM should not be used for the HER program offering. Enbridge Gas submits that it was incumbent on those advocating that the TAM not be used to try and show why it would be unfair or unreasonable to continue to use it in respect of the HER program offering and thus the need for a replacement methodology or alternative approach.

49. It is understood that one of the key drivers behind the Board ordering the establishment of the TAM was that it would systematically adjust targets to reflect a prior year's results. There would therefore be no need to annually reconsider and debate the targets that would be used to evaluate DSM program activities, something that historically, parties will recall, occurred annually and which was often the subject of "vigorous" discussion necessitating Board intervention, on occasion. Given the clear intent of the Board with its establishment of the TAM, Enbridge Gas submits that for the Board to agree that a departure from the use of the TAM is appropriate, it should set a high evidentiary threshold on the advocates of same and require proof that the TAM is not working. No party has even attempted to do this. There is therefore no evidentiary basis for the Board to depart from the rules that it has previously set to adjust targets.

50. It is important to recognize that neither of the target adjustment methodologies proposed by GEC and EP has undergone any analysis or testing by the Board or Enbridge Gas. There has been no effort by either of these parties to forecast the impact of the use of these proposed target setting methodologies. There is no evidentiary record which supports the use of either methodology nor any expert evidence which suggests that either methodology would be reasonable and prudent to either the Company or ratepayers. The point is that there is no evidence either way of the impact of change.

51. Enbridge Gas acknowledges that the HER program offering in 2018 and 2019 has been one of the Company's successful program offerings. It will likely in these years contribute to the Company's positive DSM program results. Enbridge Gas notes that this application is not the first time that certain parties have suggested that the Board make adjustments to the HER program offering target given the success of the program in a prior year notwithstanding the TAM. While this is not the explicit reason given by GEC for its proposal, it is the explicit reason given by EP (and it appears implicitly by CCC).[26] As Enbridge Gas has pointed out on prior occasions, it is noteworthy that similar suggestions have not been made about those program offerings which have not met target and which negatively impact the Company's overall DSM results. It appears that at least some of the support behind GEC's target adjustment proposal is motivated by the continued desire to move the goal posts mid-framework to the prejudice of the Company.

52. CCC appears to question the entire existence of the HER program offering suggesting that the Board should consider redesigning or winding it down.[27] Aside from the fact that CCC

[26] EB-2019-0271, EP Written Submission (June 3, 2020), p. 3.
[27] EB-2019-0271, CCC Written Submission (June 15, 2020), p. 2.

references out of date and therefore incorrect incentive numbers, it was not clear to Enbridge Gas what was the source of the $73.5 million figure referenced in CCC's submission.[28] Upon review, it should be noted that this figure does not relate to only the HER program offering. CCC appears to have aggregated the EGD Rate 1 with the Union South Rate M1 and Union North Rate 01, 2020 forecast budget allocations (as provided in Enbridge Gas's interrogatory response to OGVG[29]), based on the Board's 2020 approved budgets. It is important to note that this amount includes all residential and low income program offerings and allocated overheads as well as a portion of commercial and industrial program costs in the Union rate zones (given that some small commercial and industrial customers are included in those rate classes).

53. The figure given by CCC is therefore misleading and provides no reason to question the success of the HER program offering. The fact is that the HER program offering incents customers to undertake and complete more energy savings upgrades than would otherwise have been the case. While the number of participants annually as a percentage of all residential customers is modest, the aggregated number of participants over numerous years is material and the benefits to these ratepayers are meaningful and will continue. Those with knowledge and understanding of these types of offerings in other jurisdictions will recognize the relative success of the Enbridge Gas HER program offerings to date.

[28] Ibid, p. 2.
[29] EB-2019-0271, Enbridge Gas Interrogatory Responses (April 6, 2020), Exhibit I.OGVG.1, p. 5, Table 4.

Budget Flexibility

54. EP has requested that the Board put some limitation on the ability of the Company to direct its budget at successful program offerings and/or to make use of the DSMVA as permitted under the 2015-2020 DSM Framework.[30] The Company admits that it is not certain of precisely what EP is requesting. One interpretation is that the Company should be allowed to carry over unspent budget in 2020 due to the impacts of the COVID-19 pandemic into 2021. EP also seems to be suggesting that the Board restrict the Company from accessing the DSMVA.

55. Staff argue that the OEB should retain the budget flexibility allowed in the 2015-2020 DSM Framework and Guidelines. Staff note that this flexibility allows Enbridge Gas to transfer up to 30% of approved funds across programs in order for it to respond to fluctuating participation levels and market conditions during the program year, and also the ability to access additional funds, up to 15% of the DSM budget should a program achieve 100% of its performance metrics on a pre-audit basis. Staff submit that removing or limiting the budget flexibility could result in lower overall program delivery due to the COVID-19 pandemic, which would not be favourable to customers. Staff further noted that in order for Enbridge Gas to be responsive to market conditions and have the ability to direct approved funding to areas where they can be used to maximize overall results, it is necessary for the funding transfer policy to remain in effect.[31]

[30] EB-2019-0271, EP Written Submission (June 3, 2020), pp. 2-5.
[31] EB-2019-0271, Staff Written Submission (June 12, 2020), p. 5.

56. Enbridge Gas agrees with the comments of Staff and submits that there is nothing to be gained but uncertainty by implementing budget restrictions that have not been fully considered nor explained. As well, Enbridge Gas notes that the requests for budget limitations are clearly requests for amendments to the 2015-2020 DSM Framework which the Company understands from Procedural Order No. 1 to be out of scope because they would constitute a material change and because they would in effect change the budget in 2021. On a related subject, PP has suggested that the Board approve a budget for 2021 of $160 million to address pent up demand that is expected given the current COVID-19 pandemic.[32] While an increase in the 2021 budget could be useful for the purposes stated by PP, Enbridge Gas presumes that the Board has already ruled in respect of the budget for 2021 in Procedural Order No. 1 and that this request will not be entertained.

Exempting Natural Gas Fired Generation

57. For the reasons set out in its Written Submission, APPrO seeks an order from the Board exempting natural gas fired electricity generators ("GFG's") from any obligation to contribute to the DSM costs allocated to the Union rate zones' T2 and T100 large volume rate classes. Enbridge Gas notes that GFG's are but a subset of the customers in these rate classes. GFG's are not a stand-alone rate class which makes it difficult to state with precision exactly the aggregate amount that would be reallocated by this proposal to the remaining members of these rate classes.

58. Enbridge Gas submits that such a proposal appears to run counter to Procedural Order No. 1 in that it represents a material change to the proposed rollover of the approved 2020 DSM

[32] EB-2019-0271, PP Written Submission (June 12, 2020), pp. 7-11.

Plan to 2021. As well, it would not be surprising to learn that those members of the T2 and T100 rate classes that would be affected by this change would want an opportunity to respond to the proposal. There has been no consideration of the impacts of this proposed change in this proceeding. It may be preferable to deal with this proposal in the context of the Post 2020 Framework proceeding.

59. Should the Board be willing to entertain such a request in this proceeding, it should be aware of certain consequences. The first is pragmatic in that it will be necessary for Enbridge Gas to implement changes to its billing system to accommodate the change, the magnitude and cost of which is not known at this time. The second consequence that the Board should be aware of is that the quantum of the impact on the remaining T2 and T100 customers is not known and thus the materiality of the change and whether it will result in rate shock cannot be addressed at this time. Finally, there has not been a fulsome consideration in this proceeding of the assertions made by APPrO in its Written Submission. No evidence was filed and no interrogatories were posed on this proposal. In short, there does not appear to be a sufficient evidentiary record to support the proposal.

Stakeholder Consultative

60. Several parties propose that the Board formally require the establishment of a stakeholder consultative in 2021.[33] Parties will recall that Stakeholder consultatives were undertaken under prior DSM frameworks. It should be recalled that these consultatives were active at a time when Enbridge Gas (EGD and Union at the time) was responsible for the

[33] EB-2019-0271, LIEN Written Submission (June 12, 2020), p. 4; and EB-2019-0271, Pollution Probe Written Submission (June 12, 2020), p. 12.

administration and coordination of the annual evaluation, monitoring and verification process that reviewed DSM program results. This function has now been transferred to Staff. One of the possible reasons for the establishment of a formal consultative therefore does not currently exist. It should be recognized that despite the fact that no formal consultative exists today, the Company has and will continue to reach out to appropriate stakeholders for the purposes of seeking assistance in understanding the needs of the group's membership and how to best increase participation rates.

61. To be clear, the Company does not oppose the establishment of a formal consultative. This discussion must also include consideration of an appropriate budget to cover Intervenor costs and consultation facilitation costs. Enbridge Gas expects this matter to be considered as part of the Post 2020 Framework consultation. In the meantime, Enbridge Gas will continue to consult informally with stakeholders.

Other Matters

Union North Rate Zone

62. Staff express concern that it appears that the Union North rate zone is underserved and asks the Board to direct Enbridge Gas to make best efforts to expend all approved funding in the Union North rate zone should opportunities to do so exist.[34]

63. The Company wishes to assure the Board and Staff that it does already make best efforts to expend funding in the Union North rate zone and that it monitors and investigates potential opportunities. Any perceived underspending in this rate zone is not reflective of

[34] EB-2019-0271, Staff Written Submission (June 12, 2020), p. 5.

a lack of trying, it is simply a reflection of the environment and the realities of that geography and market.

Contract Class Customer Participation

64. OGVG expresses concern over the number of contract class customers in all rate zones that do not participate in DSM.[35] OGVG submitted that, going forward, within the reporting of Enbridge Gas's annual DSM results, the Board should require the Company to report on the subsection of contract rate class customers that have not participated in DSM programming, including information on attempts by the Company to engage those customers and, where contact was made, the reasons why those customers nevertheless have not become engaged in DSM efforts.

65. The Company notes that it already reports at a high level on its efforts to reach and market programs to contract class customers. However, Enbridge Gas is concerned that OGVG's request is that the Company reveal the name of specific contract rate class customers and the reasons that are given by the customers for not participating, this could violate the customer confidentiality provisions of Gas Distribution Access Rule ("GDAR"). As well, the Company constantly considers how to improve the marketing and uptake of its program offerings (it is incented to do so after all). If OGVG has specific ideas about how to better reach its members, Enbridge Gas welcomes such insights.

[35] EB-2019-0271, OGVG Written Submission (June 12, 2020), pp. 4-7.

Amalgamation Efficiencies and Harmonization

66. PP has requested that the Board order Enbridge Gas to conduct a detailed inventory and assessment of DSM portfolio efficiencies (cost, results, partnerships and other efficiencies or net benefits) achieved as a result of the amalgamation of EGD and Union. Enbridge Gas notes that it specifically responded to interrogatories about the impact of the amalgamation and the integration of the DSM departments of EGD and Union. As well, the Board has identified this as a matter for the Post 2020 Framework proceeding. It should be recalled that overhead cost savings due to the amalgamation will be passed on to ratepayers through re-investment in programming or following future annual deferral and variance account clearance proceedings (through the DSMVA). If there are questions about such savings, Enbridge Gas submits that the Post 2020 Framework and related clearance proceedings are the appropriate venues to pose them.

67. PP has proposed that for all DSM program offerings that have already been harmonized, the Board should require Enbridge Gas to treat these on a portfolio basis (i.e. combine the budgets and scorecard targets for the EGD and Union rate zones). While on the surface, this recommendation makes sense, at this time there are practical reasons why this should not occur. First, the EGD and Union scorecards have differing metrics and methodologies in some instances that would not allow this to be easily accomplished. Consideration of how new combined targets and metrics might be established should be subject to Board review and approval.

68. In addition, there are issues which relate to the allocation of costs across rate zones which will likely also attract concern from certain stakeholders absent Board review of the

combined cost allocation methodology. It should be recognized that rate classes across the EGD and Union rate zones and the terms of service applicable to each have not been harmonized, further complicating this matter.

Conclusion and Relief Sought

69. In this Application, Enbridge Gas proposes that it continue delivering the current DSM portfolios, as outlined in the OEB-approved 2020 DSM Plans, similarly into 2021. Enbridge Gas proposes to roll-forward into 2021 the current EGD rate zone and Union rate zones 2020 DSM Plans, including all programs, scorecards and parameters (i.e., budget, targets, incentive structure) as previously approved by the Board for 2020. This will facilitate a smooth evolution into the next DSM framework.

70. Enbridge Gas proposes to continue to operate its DSM portfolios in 2021 as it has in the current multi-year period (2015-2020), based on the guidance provided in the 2015-2020 DSM Framework, the Mid-Term Review Report and the Filing Guidelines to the 2015-2020 DSM Framework, including: the annual update of input assumptions, updates to avoided costs and year-over-year consideration of audit findings. Specifically, for 2021, Enbridge Gas requests that the OEB approve:

(a) The same DSM annual budgets for the 2021 DSM program year as those approved by the Board for 2020 for each of EGD and Union in its EB-2015-0029/0049 Decision and Order and Revised Decision and Order[36] including updates to budget guidance outlined in the OEB's Mid-Term Review Report[37]. The proposed 2021 budget totals:

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[36] EB-2015-0029/EB-2015-0049, OEB Decision and Order (January 20, 2016), Schedule A; EB-2015-0029/EB-20150049, OEB Revised Decision and Order (February 24, 2016), Schedule A.

[37] EB-2017-0127/EB-2017-0128, Report of the OEB: Mid-Term Review of the Demand Side Management (DSM) Framework for Natural Gas Distributors (2015-2020) (November 29, 2018), p. 12; As outlined in footnote 3 (page 12) of the Mid Term Report, the only changes to the budgets approved include: (1) a continuation of EGD's Energy

EGD rate zone 2021 DSM Budget: $67,757,376

Union rate zones 2021 DSM Budget: $64,349,541

(b) The same scorecards originally approved by the OEB for each of EGD and Union in its Decision and Order and Revised Decision and Order (EB-2015- 0029/0049), including updates subsequently directed by the Board as outlined in Appendix A of the Mid-Term Report with the same modifications to the target adjustment formula that calculates year-to-year annual targets (including those that require future financial commitments).[38] Enbridge Gas has included the 2021 proposed scorecards in the pre-filed evidence at Exhibit A, Attachments 1 and 2.

(c) The same annual shareholder incentives and methodologies relative to each of the OEB-approved EGD and Union DSM plans (EB-2015- 0029/0049) for the 2021 DSM program year, consistent with the shareholder incentive amounts available in the 2020 DSM program year.

(d) The same cost-effectiveness screening to be undertaken in 2021, consistent with the approach directed by the Board in the Mid-Term Review Report for the 2020 DSM program year.

71. Finally, Enbridge Gas reiterates its request that the Board issue a decision in this matter as expeditiously as possible. If a decision can be issued by the end of July, Enbridge Gas expects that it will have sufficient time to implement the 2021 DSM Plan without undue impact to Enbridge Gas or potential program participants. If the decision is delayed beyond this date, Enbridge Gas is concerned that potential program participants may be impacted and that its 2021 program portfolio will suffer as program managers and other DSM team members expected to be involved in the third-phase of the Post 2020 Framework consultative will be increasingly challenged by resource and time constraints.

Leaders program (annual budget of $0.4M) and (2) expansion of Union's Residential Adaptive Thermostats pilot into a full program (annual budget of $1.5M).

[38] Ibid, Appendix A, pp. i-viii.

All of which is respectfully submitted June 26, 2020.

Adam Stiers

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Date: 2020.06.26 11:26:07 -04'00'

On behalf of:

Dennis O'Leary
Counsel to Enbridge Gas Inc.

Enbridge Gas Inc.

2021 DSM Plans

Reply Argument

Appendix A

Forecast Reporting Templates

Expenditures - EGD Rate Zone

Program	2020 Approved Budget	2020 Forecasted Spend	Variance
Resource Acquisition	**$0**	**$0**	**$0**
Home Energy Conservation			$0
Residential Adaptive Thermostats			$0
Commercial & Industrial Custom			$0
Commercial & Industrial Prescriptive			$0
Commercial & Industrial Direct Install			$0
Small Commercial New Construction			$0
Energy Leaders (Large & Small C/I)			$0
Run it Right (RA)			$0
Comprehensive Energy Management (RA)			$0
Overheads			$0
Low Income	**$0**	**$0**	**$0**
Home Winterproofing			$0
Low-Income Multi-Residential - Affordable Housing			$0
Low-Income New Construction [1]			$0
Overheads			$0
Market Transformation	**$0**	**$0**	**$0**
Residential Savings by Design [1]			$0
Commercial Savings by Design [1]			$0
School's Energy Competition			$0
Run it Right (MT)			$0
Comprehensive Energy Management (MT)			$0
Overheads			$0
Program Cost Subtotal	**$0**	**$0**	**$0**
Overhead Subtotal	**$0**	**$0**	**$0**
Program Costs Total	**$0**	**$0**	**$0**
Porfolio Overheads			**$0**
Grand Total	**$0**	**$0**	**$0**

1. Accrued Incentive Amounts included. These amounts reflect updated direction provided by the Board outlined in EB-2017-0127/0128, Report of the Ontario Energy Board: Mid-Term Review of the DSM Framework for Natural Gas Distributors (2015-2020), November 29, 2018, p. 16.

Results - EGD Rate Zone

	Offering	Metric	Weight	Lower Band	Target	Upper Band	2020 Forecasted Results
Resource Acquisition	**Home Energy Conservation** **Residential Adaptive Thermostats** **C/I Custom** **C/I Prescriptive** **C/I Direct Install** **Run-it-Right** **Comprehensive Energy Mgmt**	*Large Volume Customer Cumulative Savings (million m^3)* [1]	*40%*				
		Small Volume Customer Cumulative Savings (million m^3)	*40%*				
	Home Energy Conservation	*Participants*	*20%*				
Low Income	**Single Family (Part 9)**	*Cumulative Savings (million m^3)*	*45%*				
	Multi-residential (Part 3)	*Cumulative Savings (million m^3)*	*45%*				
	New Construction	*Participants*	*10%*				
Market Transformation	**Residential Savings by Design**	*Builders*	*10%*				
		Homes Built	*15%*				
	Commercial Savings by Design	*New Developments*	*25%*				
	School Energy Competition	*Schools*	*10%*				
	Run It Right	*Participants*	*20%*				
	Comprehensive Energy Mgmt	*Participants*	*20%*				

1. Large volume consumers include commercial customers with a 3 year average annual consumption of greater than 75,000 m^3/year or industrial customers with a 3 year average consumption of greater than 340,000 m^3/year.

Expenditures - Union Rate Zones

Item	2020 Approved Budget	2020 Forecast Spend	Variance
Program Budget			
Resource Acquisition Scorecard			
Residential Program [1]			$0
Residential Evaluation [2]			$0
Commercial/Industrial Program [1]			$0
Commercial/Industrial Evaluation [2]			$0
Low-Income Scorecard			
Low-Income Program [1]			$0
Low-Income Evaluation [2]			$0
Large Volume Scorecard			
Large Volume Program [1]			$0
Large Volume Evaluation [2]			$0
Market Transfomation Scorecard			
Market Transfomation Program [1 3]			$0
Market Transformation Evaluation [2]			$0
Performance-Based Scorecard			
Performance-Based Program [1]			$0
Performance-Based Evaluation [2]			$0
Programs Sub-total	**$0**	**$0**	**$0**
Portfolio Budget			
Research			$0
Evaluation [2]			$0
Administration			$0
Pilot Programs			$0
Portfolio Sub-total	**$0**	**$0**	**$0**
Total 2020 DSM Budget (before Adjustments)	**$0**	**$0**	**$0**

1. Program costs include incentives, promotion and administration costs.

2. Costs related to the OEB staff coordinated evaluation and audit process are not provided detailed by program. These costs are recorded at the portfolio level.

3. Accrued Incentive Amounts included. These amounts reflect updated direction provided by the Board outlined in EB-2017-0127/0128, Report of the Ontario Energy Board: Mid-Term Review of the DSM Framework for Natural Gas Distributors (2015-2020), November 29, 2018, p. 16.

Results - Union Rate Zones

	Offering	Metric	Weight	Lower Band	Target	Upper Band	2020 Forecasted Results
Resource Acquisition	**Home Reno Rebate C/I Prescriptive C/I Direct Install C/I Custom Adaptive Thermostats**	*Cumulative Savings (million m³)*	75%				
	Home Reno Rebate	*Participants*	25%				
Low Income	**Home Weatherization Furnace End-of-Life Upgrade Indigenous**	*Cumulative Savings (million m³)*	60%				
	Multi-Family	*Social and Assisted Housing Multi-Family Cumulative Savings (million m³)*	35%				
		Market Rate Multi-Family Cumulative Savings (million m³)	5%				
Large Volume	**Large Volume Direct Access**	*Cumulative Savings (million m³)*	100%				
Market Transformation	**Optimum Home**	*Percentage of Homes Built (>15% above OBC 2017) by Participating Builders*	50%				
	Commercial Savings by Design	*New Developments Enrolled by Participating Builders*	50%				
Performance-Based	**RunSmart**	*Participants*	10%				
		Savings (%)	40%				
	Strategic Energy Management	*Savings (%)*	50%				