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Christine E. Long  
Registrar  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Long,

**RE: EB-2021-0002 – Enbridge Gas Inc. – Multi-Year Demand Side Management Plan (2022 – 2027) – LPMA Submissions on Interim Approval of 2022 DSM Program Year Plan**

## **Introduction**

Enbridge Gas Inc. (“EGI”) filed a multi-year natural gas demand side management (“DSM”) plan application with the Ontario Energy Board (“OEB”) on May 3, 2021, seeking approval of a new natural gas DSM policy framework effective January 1, 2022. EGI is also seeking approval of budgets, programs and targets for the period January 1, 2022 to December 31, 2027.

In addition to the approval of the proposed policy framework and multi-year DSM plan, EGI has requested the OEB approve its proposed DSM budget by July 30, 2021. As part of Procedural Order No. 2 dated June 22, 2021, the OEB determined that this request was premature.

EGI also requested an interim decision by August 31, 2021 approving its proposed DSM activities in 2022, subject to any necessary adjustments on a prospective basis following the OEB issuing its final decision and order in this proceeding.

As part of Procedural Order No. 1, the OEB determined that the first priority in this proceeding would be to consider the request for interim approval by August 31, 2021 of the EGI 2022 DSM program year plan. The OEB indicated that it would consider EGI’s approval of the 2022 program year in order to ensure program continuity, limit market disruption and confusion amongst potential participants and vendors. The OEB made provision for parties to make submissions on this request and indicated that the submissions should be focused on the EGI request for interim approval of the 2022 DSM program year and avoid submissions related to other aspects of the application.

The following are the submissions of the London Property Management Association (“LPMA”) with respect to EGI’s request for interim approval of its 2022 DSM program year plan.

## **Submissions**

It is the understanding of the LPMA that the OEB has limited the submissions from parties to the EGI request for the approval of its 2022 DSM program year plan. In particular, this is limited to the proposed activities that EGI plans to carry out in 2022. In addition, the interim approval would be limited to the point in time where the OEB makes a further order on the overall DSM plan. This further order could also be interim in nature, or a final order.

LPMA notes that the EGI request for interim approval is more specific. As noted in paragraph 49 of Exhibit B, Tab 1, Schedule 1, EGI states:

*“... Enbridge Gas requests that the OEB make it clear in any interim Decision and Order that the utility will be able to recover all reasonable costs, expense ad commitments that were incurred and made in undertaking DSM activities in 2022, including expenditures of up to 120 days after an OEB final Decision and Order is received in respect of the remainder of the DSM Plan. This is the minimum time period that the Company estimates that it will require to wind down activities not approved by the OEB.”*

It appears to LPMA that EGI is actually looking for the OEB to provide it with cost recovery certainty associated with all 2022 related expenses prior to an OEB decision and order and for a further four month period after the date of the decision and order. LPMA fails to see what would be interim in any such interim approval being sought by EGI.

EGI states that *“Notwithstanding receiving interim approval, it is important to note that Enbridge Gas would be assuming the full risk of the OEB making decisions in its final Decision and Order which might impact the shareholder incentive. The Company appreciates that the targets and metrics proposed for the 2022-2027 Multi-Year Plan may, in the end, be adjusted by the OEB in its final Decision and Order and that the OEB may order that these revised targets and metrics be applied to the 2022 program year. This could have an impact on the shareholder incentive to which the Company may be eligible to receive.”* (Exhibit B, Tab 1, Schedule 1, para. 48).

Clearly, EGI is concerned with its shareholder incentive. Conversely, it is not concerned with recovery costs associated with its 2022 DSM program year plan from ratepayers if the OEB were to adjust or eliminate any of these programs. LPMA submits that the OEB should not endorse the EGI request for an interim approval of the 2022 DSM program year plan that has no teeth associated with it. It would not be reasonable for ratepayers to at risk for and paying for 2022 expenses that were ultimately denied by the OEB in its final decision and order.

While LPMA agrees with the importance of program continuity as an essential requirement for a successful, sustainable and effective energy conservation market this should be a risk that is borne by EGI and not by ratepayers. It is up to EGI to ensure that it continues with the programs that it believes will be approved by the OEB. For example, if one program is considered to be marginal, then EGI should consider whether it should continue with that program or scale it back and focus on other more effective programs for the beginning of 2022 and adjust the emphasis on programs once an OEB decision is rendered.

LPMA also notes that in Procedural Order No. 2 dated June 22, 2021, the OEB stated that it would be mindful of the impact of budget changes to the nature and makeup of the portfolio of programs as it proceeds through its review of the evidence in this proceeding. LPMA assumes that the OEB will also be mindful of the impact of changes to the makeup of the portfolio of programs for 2022.

Finally, LPMA would like to make submissions on the impact of the timing of the OEB final decision and order. Clearly, the potential impact on EGI and ratepayers will be impacted by the timing of the final decision and order. The later the decision, the larger the potential risk to both EGI and ratepayers. LPMA submits that the OEB may want to consider using a condensed timetable for the application process to ensure a final decision as quickly as possible.

LPMA further submits that the OEB may want to consider issuing a decision (either final or interim) for 2022 related to the DSM program year plan and the 2022 budget at an earlier date than the main decision for the 2022-2027 application. This would reduce the risk for EGI and ratepayers associated with the uncertainty related to the 2022 programs.

Yours very truly,

Randy Aiken  
Aiken & Associates