

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 Enbridge Gas Inc.'s Request for Approval of Multi-Year Natural Gas Demand Side Management Plan (2022 to 2027)

**SUBMISSION OF
THE LOW-INCOME ENERGY NETWORK**

June 6, 2021

I. INTRODUCTION

1 The Low-Income Energy Network ("LIEN") sets out below LIEN's submissions in response to Enbridge Gas Inc.'s ("Enbridge") request for interim approval of its 2022 DSM program, pursuant to Procedural Order No. 1. The Ontario Energy Board (OEB)'s first priority in this proceeding (wherein Enbridge is seeking approval of a new natural gas DSM policy framework and multi-year DSM Plan (2022 – 2027)) is to consider Enbridge's request for interim approval of Enbridge's 2022 program plan, exclusive of its proposed budget.

2 The OEB is of the view that a more comprehensive review is necessary before the OEB can approve Enbridge's DSM budget for 2022, as the budget is directly related to the proposed programs, level of savings and impact. Consistent with this view, LIEN's

submissions below do not address the DSM target or budget for 2022. Instead, LIEN's submissions focus on the proposed 2022 DSM programs and related activities.

II. GENERAL COMMENTS ON ENBRIDGE'S 2022 DSM PLAN

3 LIEN is of the view that the key elements of the current natural gas DSM framework should be applied to the interim 2022 DSM Plan approval. Continuation of the existing DSM framework for interim plan approvals has been the practice of the OEB and was applied to the approval of Enbridge Gas's 2021 DSM Plan. As an example, there should continue to be a separate program for low-income consumers as this has been a key element of the DSM framework. Similarly, for the purposes of the interim 2022 approval, natural gas savings should continue to be based on cumulative lifetime savings, as this is also a key element of the DSM framework.

4 Historically, and for the last natural gas DSM framework, the OEB held a proceeding to develop a new natural gas DSM framework, which included the preparation of a draft framework and draft guidelines for stakeholder comment. Once the framework and guidelines were approved by the OEB, utilities prepared their DSM plans accordingly in conformance with the framework and guidelines. For the 2022-2027 DSM framework, the OEB has proposed approval of Enbridge's new natural gas DSM policy framework within the approval of Enbridge's 2022 to 2027 DSM Plan. To ensure appropriate testing of Enbridge's proposed framework and to avoid limiting key elements of the new framework by decisions made on the 2022 interim DSM plan, Enbridge's proposed change to first-year annual savings and any other significant proposed framework changes should be deferred and thoroughly addressed in the subsequent proceeding.

5 LIEN concurs with Enbridge putting forth one amalgamated 2022 DSM plan covering the previous Union Gas and Enbridge Gas franchise areas. This amalgamation approach for the DSM plan provides the greatest opportunity to capture economies of scale, achieve greater consistency across Enbridge's franchise area and avoid market confusion. This will contribute to ensuring that low-income consumers obtain the maximum opportunity to participate in natural gas DSM low-income programming.

III. LOW-INCOME PROGRAMS

A. COORDINATION WITH CDM

6 LIEN supports Enbridge's efforts to coordinate DSM with CDM. For low-income programming, LIEN supports modifying DSM participant eligibility to be consistent with the income-eligibility criteria of income-tested CDM.

7 Enbridge has indicated that it is in discussions with the IESO about coordinated delivery of the single-family low-income offerings for a single point of entry. LIEN supports these endeavours. Providing a 'one-window' approach to energy retrofits so that home assessments and delivery of measures are coordinated will provide a more comprehensive approach to low-income energy savings, reduce lost opportunities, minimize the number of dwelling visits and therefore the inconvenience to low-income consumers, and enhance energy retrofit cost-effectiveness and efficiency of delivery. The OEB should stress the importance of having a single point of entry for single-family low-income energy efficiency offerings for electricity and natural gas and encourage Enbridge to continue to pursue these discussions with the IESO.

B. INDIGENOUS OFFERING

8 LIEN does not support removal of the Indigenous offering and its integration into the other low-income offerings as part of the 2022 low-income program. While there may be similar measures and delivery agents across low-income communities, it is important to continue to recognize First Nations communities as distinct and build in appropriate energy efficiency services, education and reconciliation opportunities.

9 To ensure on-reserve First Nations communities receive effective opportunities to participate in low-income DSM, it will continue to be important to track separately the level of effort, budget and expenditure, services and savings achieved for these consumers. Therefore, LIEN strongly recommends the OEB require Enbridge to continue to provide a separately tracked Indigenous low-income offering for on-reserve First Nations communities for 2022 and as part of the tracking provide a list of the communities and number of First Nations low-income participants per community achieved in 2022. The Indigenous offering would include the program components of both Home Winterproofing and Affordable Housing Multi-Residential.

C. LOW-COST DIRECT INSTALL MEASURES FOR LOW-INCOME CONSUMERS

10 The OEB's Filing Guidelines to the Demand Side Management Framework for Natural Gas Distributors (2015-2020) indicate that "It is generally expected that low-income DSM programs will require no upfront costs to the low-income consumer. However, if a gas utility feels it is appropriate to require some level of upfront costs from the low-income consumer, it must clearly show the benefits of this approach and discuss the rationale for the proposal".¹

¹ OEB's Filing Guidelines to the Demand Side Management Framework for Natural Gas Distributors (2015-2020) dated December 22, 2014 at page 10, footnote 3.

11 For the proposed 2022 low-income program, Enbridge has not demonstrated such benefits nor offered a rationale to require a contribution from low-income consumers for any of the measures available in the low-income programs proposed for 2022. Regarding the Home Winterproofing offering, Enbridge states: "...the Home Winterproofing offering provides free energy assessments and no-cost/low cost, direct install and weatherization upgrades to improve the home."² The home is prequalified for direct install measures at no cost or low cost and includes showerheads, aerators, adaptive thermostats, and pipe wrap."³ Enbridge does not indicate which measures will require a financial contribution by the low-income participant and how much of a contribution, nor does Enbridge provide any description of the benefits or rationale for a low-cost approach. Similarly, for Affordable Housing Multi-Residential, for tenants, "Direct install measures can include heat reflector panels and showerheads. Direct install incentives will cover up to 100% of the equipment and installation cost."⁴ As with the Home Winterproofing offering, Enbridge does not indicate which direct install measures will require a financial contribution, nor does Enbridge provide any description of the benefits and rationale for this contribution.

12 The 2019 Natural Gas Demand-Side Annual Verification Report (December 3, 2020) prepared for the OEB reveals TRC-Plus for low-income programs of 1.59 for Union Gas and 2.19 for Enbridge Gas. These results were obtained with no financial contribution by low-income consumers and indicate there is room to add services to enhance assistance to low-income consumers within these programs and still achieve

² Exhibit E, Tab 1, Schedule 3, p 7.

³ Exhibit E, Tab 1, Schedule 3, p 12.

⁴ Exhibit E, Tab 1, Schedule 3, p 17.

positive TRC results. The low-income offerings as part of the low-income program proposed for 2022 are similar to those for 2019 and should achieve similar results without the need for low-income consumers to provide a financial contribution.

13 LIEN is not aware of any research done either in the past, or more recently for this 2022 DSM Plan, by Enbridge regarding the low-income consumers it serves, to reveal willingness and ability to pay an upfront portion of measure costs. LIEN's research and the extensive experience of its social service agency and legal aid clinic membership, demonstrates the contrary. The real tension for low-income consumers between using income for heating versus eating or health and safety, is a key reason why in Ontario we have a strong tradition of providing free measures (including free installation) to low-income consumers. Moreover, in 2022 Ontarians will likely still be in recovery from the devastation of Covid-19, which has been shown to disproportionately affect lower income consumers, emphasizing the importance of maximizing the help available for low-income consumers.

14 For all these reasons, LIEN strongly recommends the OEB require Enbridge to offer all the measures to be installed in the homes for the Home Winterproofing offering and in the units for the Affordable Housing Multi-Residential offering at no cost to the single-family and multi-unit resident, respectively.

D. DIRECT INSTALL MEASURES FOR AFFORDABLE HOUSING MULTI-RESIDENTIAL

15 Direct install measures for tenants include low-flow showerheads and heat reflector panels. No rationale is provided by Enbridge for faucet aerators being excluded or why adaptive thermostats were excluded. Like Home Winterproofing, the direct install measures for Affordable Housing Multi-Residential should also include faucet aerators.

Absent good reasons in a given building not to offer adaptive thermostats, Enbridge Gas should also provide in-suite adaptive thermostats where the building is heated by natural gas.

E. TRACKING MINOR REPAIRS

16 The Home Winterproofing program has a budget to carry out minor repairs that are needed before measures can be installed. Enbridge has indicated that where there is asbestos, pest infiltration, excessive hoarding, or other major repairs required, these residences are ineligible for the offering. For 2022, Enbridge should track and report on the type of minor repairs carried out, the average cost per dwelling for these repairs, the number and type of measures per dwelling that could not be installed due to the type and level of repairs required, and the estimated total energy savings foregone as a result. In this way lost opportunities can be tracked and addressed more effectively in future low-income program offering budgets and program design.

IV. **SUMMARY OF LIEN'S RECOMMENDATIONS**

17 LIEN recommends approval of Enbridge's 2022 DSM Plan with the following conditions:

- (a) The key elements of the current natural gas DSM framework are to be applied to the interim 2022 DSM Plan approval. Enbridge's proposed change to first-year annual savings and any other significant proposed framework changes are deferred and will be thoroughly addressed in the subsequent proceeding. This condition should be applied retroactively and to the entire period covered by the 2022 DSM plan.

- (b) Enbridge is to continue to pursue discussions with the IESO to achieve a single point of entry for single-family low-income energy efficiency offerings for electricity and natural gas. This condition should be implemented prospectively because discussions are ongoing and should be encouraged to continue.
- (c) Enbridge Gas will continue to provide a separately tracked Indigenous low-income offering for on-reserve First Nations communities for 2022 and as part of the tracking will provide a list of the communities and number of First Nations low-income participants per community achieved in 2022. The Indigenous offering will include the program components of both Home Winterproofing and Affordable Housing Multi- Residential, as applicable. This condition should be implemented retroactively. It should be applied to the entire 2022 DSM planning period. Enbridge should have the requisite data to separate on-reserve First Nations participants from other low-income participants for tracking and reporting purposes.
- (d) Enbridge will offer all the measures to be installed in the homes for the Home Winterproofing offering and in the units for the Affordable Housing Multi-Residential offering at no cost to the single-family owner/tenant or multi-unit resident. This condition should be offered retroactively to protect all low-income single-family or multi-unit participants. Any upfront payments made by low-income consumers for measures installed in the homes for the Home Winterproofing offering or the units for the Affordable Housing Multi-Residential offering should be reimbursed by Enbridge.

- (e) For the Affordable Housing Multi -Residential offering, Enbridge will add faucet aerators for the bathroom(s) and kitchen as well as adaptive thermostats to the list of in-suite direct install measures. This condition should be implemented prospectively, unless there are future visits to the building by Enbridge or its delivery agents that do not result in the installation of these measures being cost prohibitive.

- (f) For the Home Winterproofing offering, Enbridge will track and report the type of minor repairs carried out, the average cost per dwelling for these repairs, the number and type of measures per dwelling that could not be installed due to the type and level of repairs required, and the estimated total energy savings foregone as a result. Enbridge should make best efforts to implement this condition retroactively. Since it is likely that Enbridge collects some or if not all of this data already, Enbridge may be able to report on these repairs retroactively.