

July 8, 2021

Christine Long  
Registrar  
Ontario Energy Board  
2300 Yonge Street  
P.O. Box 2319  
Toronto, Ontario  
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Dear Ms Long:

**EB-2021-0002 – Enbridge Gas Inc. – Application for Natural Gas Demand Side Management Plan – 2022-2027- Interim Approval of the 2022 Plan**

Enbridge Gas Inc. (EGI) filed an application with the Ontario Energy Board seeking approval of a new natural gas Demand Side Management (DSM) policy framework effective January 1, 2022. In addition, EGI is seeking approval of a new multi-year plan, including budgets, programs and targets for the period January 1, 2022 to December 31, 2027. EGI's application includes a request to approve its DSM budget by July 30, 2022 and a request to approve, on an interim basis its proposed 2022 plan by August 31, 2021.

In its Procedural Order No. 1, dated June 21, 2021, the OEB indicated that the first priority in this proceeding is to consider EGI's request for interim approval of its 2022 DSM program year plan. The OEB set out a schedule for submissions. These are the submissions of the Consumers Council of Canada (Council).

In its Procedural Order No. 2, dated June 22, 2021, the OEB indicated that it would be premature to approve the proposed DSM budget at this time. The OEB requires a more comprehensive review of the proposed plan including programs, savings targets and anticipated results. Accordingly, it is the Council's understanding that these submissions are to strictly deal with EGI's proposed 2022 program offerings subject to a final decision by the OEB on all aspects of the 6-year plan. The Council's submissions primarily deal with the residential sector.

**Submissions:**

The OEB in its December 1, 2020, letter determined that the primary objective of ratepayer funded natural gas DSM is assisting customer in making their homes and businesses more efficient in order to help manage their energy bills. In addition, the OEB set out the following secondary objectives:

- Help lower overall average annual natural gas usage;
- Play a role in meeting Ontario's greenhouse gas reductions;
- Create opportunities to defer and/or avoid future natural gas infrastructure projects.

With respect to budgets the OEB concluded:

The OEB anticipates modest budget increases to be proposed by Enbridge Gas in the near-term in order to increase natural gas savings, and expects Enbridge Gas to seek to improve the cost-effectiveness of programs. However, the appropriate level of ratepayer funding expended for DSM programs must weigh the cost-effective natural gas savings to be achieved against both short-term and long-term customer bill impacts<sup>1</sup>.

EGI is proposing three residential offerings for its residential customers beginning in 2022. This includes the Whole Home offering (which is currently in place), the Residential Single Measure offering and the Smart Home offering<sup>2</sup>.

The OEB did not approve a 2022 budget on the basis that it required a more comprehensive review of the proposed programs, savings and anticipated results. The Council submits in the absence of a comprehensive review the OEB should not approve EGI overall plan for 2022 as filed. The OEB is not in a position to assess at this time whether EGI's new proposals meet the DSM objectives determined by the OEB. The OEB should allow for a continuation of the programs it had previously approved for all sectors. Budgets, targets and incentives (customer incentives and shareholder incentives) should be maintained for the 2022 year. 2021 was in effect a transition year in which EGI continued with its approved programs. The Council submits that 2022 should be treated in the same way.

Specifically, with respect to the residential proposals the OEB should only approve the Whole Home offering and not expand the program offerings as proposed by EGI. These new offerings need to be tested in the context of an overall plan. Is this the most cost-effective way to provide DSM services to residential consumers? Clearly, this has not been determined.

The Council notes that in 2020 the federal government announced plans the roll out its Greener Homes Initiative which will provide funding to homeowners in the amount of \$2.6 billion over seven years to improved their home energy efficiency. In addition, in 2021 the federal government announced that the Canadian Mortgage and Housing Corporation will provide homeowners with interest free loans to complete deep home retrofits.<sup>3</sup> The Council submits that, going forward, beyond 2022, EGI will need to consider the impact of these initiatives on its residential offerings and whether their proposed programs and budget amounts remain appropriate. This is an issue that should be part of the larger review of EGI's multi-year plan.

Yours truly,

**Julie E. Girvan**

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<sup>1</sup> OEB Letter, dated December 1, 2020, pp. 2-3

<sup>2</sup> Exhibit E/T1/S2/p. 8

<sup>3</sup> Exhibit E/T1/S2/p. 3

Julie E. Girvan

CC: All parties